



Daily Report

Latin America

FBIS-LAT-88-113
Monday
13 June 1988

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Yugoslav Official Lauds Nonaligned Conference

*FL0906225588 Havana Radio Reloj Network
in Spanish 1942 GMT 9 Jun 88*

[Text] The recent conference of the Nonaligned Movement on disarmament that was held in Havana was highly praised by Aleksander Stanic, ambassador and spokesperson for the Federal Secretariat for Foreign Affairs of Yugoslavia.

The Yugoslav spokesperson said that the meeting in Havana made clear that, following a standstill in negotiations, the progress made in nuclear disarmament is only the beginning.

The spokesperson of the Yugoslav ministry referred to the documents approved in Havana. Among those, he referred to the letter of appeal from the nonaligned to the USSR-U.S. summit, which recently ended in Moscow. The Yugoslav ambassador also cited the joint platform written by the nonaligned to present to the UN special session on disarmament. He termed this document one of the main achievements of the Havana conference.

Andean Group Creates L. American Reserve Fund
*PY1106132588 Madrid EFE in Spanish 2212 GMT
10 Jun 88*

[Text] Lima, 10 Jun (EFE)—Today in Lima the five Andean countries created what they consider to be a Latin American financial alternative to the IMF.

The governments of Bolivia, Colombia, Ecuador, Peru, and Venezuela—the member countries of the Andean Pact—have established the Latin American Reserve Fund [Fondo Latinoamericano de Reservas] (FLAR), which may be joined by the six other ALADI member countries: Argentina, Brazil, Chile, Mexico, Paraguay, and Uruguay.

The FLAR founding charter was signed during a special ceremony at Government Palace in Lima. Peruvian President Alan Garcia and the plenipotentiary representatives of the other four Andean countries were present at the ceremony.

In a brief speech, Garcia said the establishment of the FLAR was "a decisive and historical step" for Latin American integration and unity.

The founding charter was signed in Lima in recognition of President Garcia's proposal in 1986 to create in Latin America a regional organization equivalent to the IMF.

In the name of the Andean Group, Ecuadoran Finance Minister Eduardo Cabezas said that in the Latin American countries, the FLAR will contribute to the consolidation of "a financial solvency" that will permit us "to solve" the problems caused by the huge regional debt.

The founding process of the FLAR will take 2 more years, during which the congresses of the Andean countries must ratify the founding charter signed in Lima today. Then the other ALADI member countries can join the FLAR.

The FLAR is based on a 10-year experience of the Andean Reserve Fund (FAR). The FLAR inherited \$500 million in start-up capital from the FAR.

According to the FLAR founding charter, its objectives include supporting the countries with deficit problems in their balance of payments and contributing to the "coordination" of the foreign exchange, monetary, and financial policies of the FLAR member countries and improving their reserve position.

In his speech, Garcia again lashed out at the IMF, describing it as an "international economic agent in the service of the mighty," and as "an ideology that is gradually destroying our economies, subjecting us to the low prices that are being paid for our products and to the high interest rates that we are being charged on the debt."

Brazil, Argentina Seek Military Cooperation
*PY1106025388 Buenos Aires TELAM in Spanish
0111 GMT 10 Jun 88*

[Text] Montevideo, 10 Jun (TELAM-PL)—In discussing the third joint symposium on strategic studies to be held in Buenos Aires next week, Brazilian Admiral Armando Ferreyra Vidigal, retired, today confirmed that Brazil and Argentina are taking serious steps to establish a sustained cooperative relationship in the military field.

Ferreyra, who is a member of the Brazilian delegation to the symposium, is in Montevideo to participate in the second plenary session of the South American Peace Commission.

The admiral said that the negotiations began last year during the first symposium in Buenos Aires and continued during the second one in Sao Paulo. When he was asked what areas the cooperation will be focused on, he admitted that the military industry will be the main area of cooperation.

Ferreyra, currently an important businessman in Brazil, confirmed that permanent channels for dialogue and military cooperation have been established and that serious talks have been started without formal commitments, treaties, or agreements.

When asked how the rest of the region would take this rapprochement between the two largest countries of the southern continent with greatest economic and military possibilities, Ferreyra admitted that a great risk is being taken.

He said that it may lead some to believe that a new power axis is being prepared in South America. This is a risk we have already discussed and we are convinced that the solution is to gradually incorporate the other countries into this military integration process.

Ferreyra added that "I think the subject of incorporating other members will be discussed in the next meeting in Buenos Aires. I believe that Uruguay is the most appropriate country in this regard due to the integration links already established with Brazil and Argentina."

Ferreyra then added that this means we will begin by incorporating Uruguay and then increase the number of countries, but not all of them at once. This is the only way to prove that it is a multinational and not only bilateral cooperation.

Cuba

Further on Afghan President Najibullah's Visit

Delegation Members Named

LD1106062688 *Kabul BAKHTAR in English*
0430 GMT 11 Jun 88

[Text] Havana, June 10, OANA BAKHHAR—Najibullah, president of the Republic of Afghanistan and general secretary of the People's Democratic Party of Afghanistan [PDPA] CC at the head of a high-ranking delegation of the Republic of Afghanistan after participating at third special session of the UN General Assembly on disarmament in New York arrived in Havana on Thursday for paying an official and friendly visit to the Republic of Cuba at the invitation of Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, president of the State Council and Council of Ministers of Cuba, our special correspondent reports from Havana.

At Havana International Airport, President Najibullah and his entourage was received by Fidel Castro Ruz, Politburo members and members of the Secretariat of the Central Committee of the Communist Party of Cuba, Abdul Majid Sarbuland, ambassador of the Republic of Afghanistan in the Republic of Cuba, staffs of the Embassy of Afghanistan in Cuba, Afghan students in Cuba, ambassadors of the foreign countries in Havana and a number of Havana residents.

Members of the Afghan high-ranking in the official and friendly visit to Cuba are: Sayyed 'Amanuddin Amin, deputy prime minister, Abdul Wakil, minister of foreign affairs, Niaz Muhammad Muhammad Aslam Watanjar, minister of communications, 'Abdulzohur Razmjo, Politburo member and secretary of the PDPA CC, Bashir Baghlani, minister of staffs of the Afghan Armed Forces, Ishaq Tokhi [name as received], first aide to the Afghan president, and Sarwar Yoresh, aide to the Afghan president.

A press team is also accompanying the Afghan high-ranking delegation to this trip.

The mass media of Cuba has covered special articles on the official and friendly visit of the Afghan high-ranking delegation to the Republic of Cuba.

Cuban dailies in their issues have covered photos of President Najibullah and his short biography and special articles on the Afghan-Cuban friendship and the achievements of the people of Afghanistan scored in various sociopolitical and economic spheres.

Talks With Castro Begin

LD1106062988 *Kabul BAKHTAR in English*
0439 GMT 11 Jun 88

[Text] Havana, June 10, OANA BAKHTAR—Official talks between the delegation of the Republic of Afghanistan headed by Najibullah, president of Afghanistan, and delegation of the Republic of Cuba headed by Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba and president of the State Council and Council of Ministers of Cuba was started at the Palace of State Council of Cuba in Havana.

Matters of mutual interest, including international situation, the Geneva accords and the policy of national reconciliation in Afghanistan were discussed during the talks.

The Cuban side stressed on firm support of Cuba to the Geneva accords on political solution of the situation around Afghanistan.

According to another report of our special correspondent from Havana, President Najibullah and his entourage went to the Square of Revolution in Havana and laid a wreath of flowers at the foot of the monument of Jose Marti, national hero of Cuba.

Receives Award

FL1006122388 *Havana Tele-Rebelde Network*
in Spanish 1149 GMT 10 Jun 88

[Text] [Announcer] Najibullah, president of the Republic of Afghanistan and secretary general of the People's Democratic Party, has received the Jose Marti Order from the hands of Fidel Castro, president of the Councils of State and Ministers and first secretary of the PCC.

[Begin recording] [Armando Hart Davalos, PCC Politburo member and culture minister] In presenting you with this medal, Comrade Najibullah, we express the feelings of our people and recognize that you are a revolutionary who identifies with our principles and goals which makes you a worthy representative of a peoples who are our friends and from whom we have always received the most decisive solidarity.

Jose Marti united Cubans in the struggle against Spanish colonialism. He firmly warned against the dangers of Yankee imperialism and he promoted the most extensive solidarity among the vanguard combatants.

Our Council of State feels that you should wear on your chest the highest tribute of the Cuban people.

The main disciple of Jose Marti, the commander in chief of our revolution, Comrade Fidel Castro, will carry out this decision. [applause]

[Najibullah, in vernacular with consecutive Spanish translation] Dear Comrade Fidel Castro, honorable comrades: On receiving with great pleasure the highest

decoration bestowed by the Republic of Cuba, the Jose Marti Order, conferred by the first secretary of the PCC and president of the Councils of State and Ministers of the Republic of Cuba, I consider it an honor and a recognition of the services rendered by the Afghan people in applying the policy of national reconciliation and the revolutionary (?renovation) of Afghanistan.

I sincerely thank the Cuban leaders for this great honor that you have conferred upon me. I want to assure you that this high honor will contribute to consolidating the existing friendly relations between our countries and peoples. Thank you. [end recording]

Further on Award Ceremony

LD1106231288 *Kabul Domestic Service in Dari*
1600 GMT 11 Jun 88

[Text] Esteemed Najibullah, president of Afghanistan, has been awarded the highest order of Cuba, the Order of Jose Marti, by Fidel Castro, first secretary of the PCC and president of the Cuban Councils of State and Ministers, at a moving ceremony.

The ceremony was attended by the Afghan delegation and members of the PCC Central Committee and their wives. First the national anthems of the two countries were played. Then Armando Hart Davalos, member of the PCC Central Committee Politburo and minister of culture, said that they are happy and highly honored this valuable order is awarded to a person with a very good revolutionary record, who represents a country with which they have close fraternal relations and common anti-imperialist positions. The decision by the Cuban Government to award this order to Esteemed Najibullah, general secretary of the PDPA Central Committee and president of Afghanistan, is the manifestation of our gratitude for the revolutionary determination, resolve, and solidarity he has shown concerning our people's struggle. We believe that your visit will promote our mutual relations at a higher level. With the presentation of this order, we have shown the gratitude and acknowledgement of our people for your revolutionary character. [passage indistinct]

Esteemed Najibullah, president of Afghanistan, who is visiting Havana at the invitation of Fidel Castro, first secretary of the PCC Central Committee and president of the Cuban State Council, stressed in an interview with GRANMA his consistent adherence to the provisions of the Geneva accords for resolving the situation surrounding Afghanistan.

The president of Afghanistan said that only good will and the unity of action by the signatories of the Geneva accords are needed for their implementation.

Expressing his regret at Pakistan's failure to take action for the unimpeded return of the refugees, he talked about the attention paid by the Government of Afghanistan to the return of Afghan refugees.

The president of Afghanistan described the Soviet Union as a historic and traditional friend.

He said that relations between Afghanistan and Cuba are superb and he hoped for further consolidation of friendly relations between the peoples of the two countries.

Tours Cienfuegos With Castro

FL1106031088 *Havana Television Service in Spanish*
0000 GMT 11 Jun 88

[Excerpts] Najibullah, president of the Republic of Afghanistan and secretary general of the People's Democratic Party, today visited the city of Cienfuegos and Villa Clara Province. Accompanied by Commander in Chief Fidel Castro, the Afghan statesman and the delegation he heads toured several centers in the industrial zone of Cienfuegos. These centers were affected by the recent heavy rains.

At the fodder factory, which is still paralyzed due to the damages it suffered, the visitors were told how the cleaning of [word indistinct] is carried out; this material was accumulated in the basement where the technological heart of the factory is located.

Fidel and Najibullah visited the Tricontinental bulk sugar enterprise which was also flooded. There, they were briefed on how this important export center has already recovered from the damages suffered in recent days.

Fidel spoke with the people in the downtown area of Prado del Castillo. He also spoke with people in the San Lazaro neighborhood, where more than 200 houses were completely leveled due to last week's floods.

In the zone of Lagunillas, where floods destroyed several houses along the bank of the Lagunillas River, Fidel spoke with several neighbors who were affected by the damage:

[Begin recording] [Castro] Did you get a good scare?

[First speaker] Yes, and what a scare!

[Second speaker] I'm so lucky that my kids are over there, far away, at school; they are studying.

[Castro] You live there too?

[Third speaker] Yes.

[Castro] It's amazing, what kind of a [word indistinct]

[Third speaker] No one expected this. We would put sticks in the ground, and you could see the water going up, and up, and up, quickly. [end recording]

The commander in chief and Najibullah were also at the railroad access bridge to the Karl Marx cement factory. The bridge was totally destroyed by the recent heavy rains. Here,

they were informed about the construction of a provisional road at the same site where they are trying to rebuild the old 120-meter bridge. [passage omitted]

Through the roads which border the massive mountains of Escambray, the entourage headed to the neighboring province of Villa Clara where Fidel and Najibullah were interviewed by Cuban television.

[Begin recording] [Reporter] After touring these two provinces which have been seriously affected by the recent rainfall, what is your evaluation, not only of the damages, but also of the recovery measures which have been taken?

[Castro] Well, I am not comparing it to "Kate". "Kate" caused much more serious damage. "Kate" knocked down all the sugarcane before the sugar harvest begun. It practically swept some sugarcane fields; it uprooted fruit and plantain plants. In this case, I see that it did cause damage. First of all, a number of lives were lost. I think that among all the provinces there were 20 victims. Do you have the numbers here? How many were there?

[Unidentified speaker] One drowned and another was struck by lightning.

[Castro] There were approximately 20 victims. So, first of all, we had victims. Then, there were about a thousand houses damaged. I would calculate approximately 800 or 900 houses; maybe not even that. This area, for example, has approximately 100; Cienfuegos must have about 400. We saw a neighborhood this morning which must be the most damaged of all; there must be about 400 houses. The number of houses destroyed probably doesn't reach 1,000. We have now taken all the measures to quickly rebuild those houses.

[Najibullah, in vernacular with consecutive Spanish translation] I think that Comrade Fidel came here to see with his own eyes all the difficulties which have arisen. Everywhere, in all the provinces and everywhere, Comrade Fidel spoke with the people. He asked them about the damages and problems. The people tell Fidel they are sure they will rebuild the pretty houses they had before. [Words indistinct] of Comrade Fidel how they are dealing with it, all the problems they are having. The people have great faith in Comrade Fidel. [end recording]

The entourage also toured the mountainous zones of Escambray all the way to Jibacoa, which is in the neighboring province of Villa Clara, where the recent floods caused serious damages.

Tours Sugar Factory

LD1206065888 Kabul BAKHTAR in English
0445 GMT 12 Jun 88

[Text] Havana, June 11, Bakhtar—Najibullah, president of the Republic of Afghanistan, and his entourage accompanied by Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba,

chairman of State Council and Council of Ministers of Cuba visited the largest sugar producing factory of Cuba in the Cienfuegos state of Cuba, our special correspondent reports from Havana.

Upon their arrival the leaders of the two countries were warmly received by the local residents and workers of the factory.

Najibullah and Fidel Castro Ruz visited the Ginagua [name as received] village devastated during the recent rain falls.

Three hundred residential houses were demolished during the rain fall which lasted for six days.

Hosts Reception

FL1106122388 Havana Radio Progreso Network
in Spanish 1100 GMT 11 Jun 88

[Text] Presidents Fidel Castro and Najibullah toured Cienfuegos Province yesterday. They were able to see the damages to important economic centers caused by last week's floods. Fidel and Najibullah also observed the Caonao River bridge in the Lagunilla area which was destroyed by the force of the water. The two leaders talked to local officials and with people who gathered around them in each area visited. The Afghan leader said: As far as I can see, Fidel is in the heart of each Cuban.

Last night, the commander in chief attended a reception hosted by Najibullah in Havana. The Afghan president, who will return to his country this afternoon, also granted a news conference to the Cuban and foreign press. Najibullah highlighted the sincere friendship and the nonaligned positions which always characterize relations between Cuba and his country. Our reporter, Gisela Arandia, was at the news conference and gives us more details.

[Begin Arandia recording] Mohammad Najibullah, secretary general of the People's Democratic Party of Afghanistan and president of the Republic of Afghanistan, granted a news conference to Cuban and foreign correspondents last night. The Afghan leader made special reference to the Geneva agreements, which constitute a balanced but at the same time complex case, according to the president. Some think these agreements only deal with the withdrawal of Soviet troops from Afghan territory, but they also include the end of Pakistani attacks.

[Najibullah, in vernacular with superimposed Spanish translation] In the meeting we had with Messrs Perez de Cuellar and Cordovez we clarified the whole situation and informed them that if this type of violation continues, Afghanistan and the Soviet Union will not be forced to comply with the agreements and we would be forced to reconsider the entire position and undoubtedly we will react appropriately.

[Arandia] Najibullah also referred to the policy of national reconciliation which has the objective of strengthening a government of political pluralism. Afghanistan wishes and

strives for peace for all the peoples, asserted that president. The Afghan leader praised the Cuban revolution and its leader Commander in Chief Fidel Castro. He said this visit will strengthen the ties existing between the two countries. [end recording]

Holds News Conference

*FL1106143488 Havana Tele-Rebelde Network
in Spanish 1321 GMT 11 Jun 88*

[News conference by Afghan President Najibullah with unidentified reporters at Havana's Palace of Conventions on 10 June; Najibullah speaks in vernacular with superimposed Spanish translation—recorded]

[Text] [Najibullah] Some believe that the Geneva agreements only deal with the withdrawal of Soviet troops from the country. However, they included other aspects—the fundamental ones—such as noninterference in Afghanistan's domestic affairs, the repatriation of refugees, and the guarantees offered by the United States and the Soviet Union regarding Afghanistan's domestic affairs, as well as the system of supervision regarding implementation. As far as the Soviet Union and Afghanistan are concerned, we have duly and sincerely fulfilled our commitments.

Regarding the policy of national reconciliation, I would like to say that its objective is to guarantee peace in the country, put an end to the illogical confrontation, and solve problems through understanding. These principles are basic for all political forces to regroup and meet, including the opposition, in the country as well as outside the country.

[Reporter] Regarding Pakistan's change of government, can it be assumed it has changed its position concerning the attacks it has made on your country?

[Najibullah] Regarding Pakistan's position, I would like to say that they have portrayed a very dark image. In the meeting we had with Messrs Perez de Cuellar and Cordovez, we clarified the whole situation and informed them that if this type of violation continued, Afghanistan and the Soviet Union would not be forced to comply with the agreements regarding the withdrawal of Soviet troops. We would be forced to reconsider the entire position and undoubtedly will react appropriately.

[Reporter] The president was saying that if Pakistan and the bands continue with their violations it would be necessary to reconsider the situation and take new decisions. At what point would these new decisions be necessary?

[Najibullah] I already said the Geneva agreements are complex and very well balanced. Noninterference should be practiced and the repatriation of refugees should not be obstructed. Those who have given guarantees should in fact put them into practice. These are the basic elements of the matter and the withdrawal of Soviet troops is only an instrument related to this set of measures. If not, it

would be illogical to have the three parties reach an agreement and achieve only partial compliance with the commitments. The agreements established a 9-month period for the withdrawal of Soviet troops. In this sense and according to the situation, the gradual withdrawal of Soviet troops would then be reconsidered.

Memorandum Signed

*FL1106134588 Havana Tele-Rebelde Network
in Spanish 1300 GMT 11 Jun 88*

[Text] A memorandum of understanding has been signed in this capital by Afghanistan's Civil Aviation Ministry and the Cuban Civil Aeronautics Institute, IACC, as part of the visit of Najibullah, secretary general of the People's Democratic Party of Afghanistan and president of the Republic of Afghanistan. The document was signed by (Ahmad Kabir Amani), first deputy minister of civil aviation, and Orlando Interian, first vice president of the IACC. They noted the importance of these contacts which reflect the strengthening of cooperation between the two organizations.

Visits Health Facilities

*FL1106182888 Havana Tele-Rebelde Network
in Spanish 1700 GMT 11 Jun 88*

[Text] Najibullah, secretary general of the People's Democratic Party of Afghanistan and president of the Democratic Republic of Afghanistan, toured places of interest in our capital this morning. As part of the program, the Afghan president visited the Lawton instructional polyclinic accompanied by Jaime Crombet, secretary of the PCC Central Committee. This institution is a pioneer in the family doctor concept. Najibullah showed interest in this type of primary health care.

Dr Jose Rodriguez Abrines, director of the polyclinic, gave him a detailed explanation of the number of residents the center serves, which amounts to 25,000. He also talked about the results of the implementation of the family doctor system. This system has increased the level of services and allows for greater control of non-transmittable diseases.

Because of the interest shown by Najibullah in the family doctor concept, the leader and entourage accompanying him later went to the family doctor house-office No 44-2 located at Concepcion and 23 Streets in the Lawton subdivision. This was the first such institution with quarters for a doctor and nurse to have been built in the capital. The Afghan president asked about the number of patients served, vaccination programs, and minigymnasiums. He was also given an explanation there concerning how this contingent of doctors was composed of young professionals specializing in general medicine. As he was leaving, Najibullah praised the results of this health care system.

This morning Najibullah also visited a housing complex being constructed by minibrigades in the capital. The Afghan leader received an extensive briefing by Enso Perez, chief of the project, on the characteristics of the 5-story building, which is being built by workforces of the Havana culture directorate. During the dialogue, Crombet answered questions posed by Najibullah on the Havana minibrigade movement. Crombet also noted that 101 buildings are being built in Diez de Octubre municipality and that the capital has 37,000 mini-brigade members.

Zoila Molina and her grandson gave the president of Afghanistan a small bouquet of flowers as a symbol of the friendship and fraternity uniting the two peoples.

Seen Off by Castro

LD1306074988 *Kabul BAKHTAR in English*
0451 GMT 13 Jun 88

[Text] Havana, June 12, OANA-BAKHTAR—A treaty of friendship was concluded between the Republic of Afghanistan and the Republic of Cuba in Havana on June 11, reports our special correspondent from Havana. The treaty was signed between Najibullah, president of the Republic of Afghanistan and general secretary of the PDPA CC and Fidel Castro Ruz, first secretary of Central Committee of the Communist Party of Cuba and chairman of the State Council and Council of Ministers of Cuba.

Protocols of cooperation were also signed between the Afghan and Cuban foreign ministers in Havana on the same day.

Another protocol of cooperation was signed between representatives of the Central Committee of the People's Democratic Party of Afghanistan and the Central Committee of the Communist Party of Cuba.

According to another report, President Najibullah and his entourage left Havana for home afternoon June 11. President Najibullah and his entourage were seen off Jose Marti airport by Fidel Castro Ruz, members of the Politburo and Secretariat of the Central Committee of the Communist Party of Cuba, members of the State Council and Council of Ministers, prominent party and state figures, Abdul Majid Sarbeland, ambassador and staff of the Afghan embassy, Afghan students, members of the diplomatic corps and a large number of Havana's inhabitants.

USIA Television Channel Said 'New Aggression'
PA1206140388 *Havana International Service*
in Spanish 1600 GMT 11 Jun 88

[Text] In a new aggression against Cuba, the U.S. Senate Appropriations Subcommittee has approved \$7.5 million for a television channel under the U.S. Government auspices that will broadcast subversive propaganda to our country. The new channel, controlled by the U.S. Information Agency, will be called Television Marti, and the transmitter will be located in an balloon over the Florida Keys.

Television Marti joins the radio station with the same name that is currently broadcasting subversive propaganda against Cuba. When the anti-Cuban Radio Marti began broadcasting, the immigration agreements between Cuba and the United States that had been signed in 1984 were suspended, in January 1985.

Dominican Republic

Officials Suspect Traffickers Caused Prison Riot

FL1006131688 *Bonaire Trans World Radio in English*
1130 GMT 10 Jun 88

[Text] From the Dominican Republic, authorities in Santo Domingo have suggested that the prison riot in La Victoria Prison last weekend was instigated by drug traffickers. Two inmates were killed and a dozen wounded in the riot when inmates had taken about 30 hostages before being dispersed by tear gas and gunfire.

Investigators are looking into the possibility that the uprising was sponsored by prison drug traffickers. La Victoria houses several members of the Colombian Medellin drug network.

Meanwhile, inmates at the prison have gone on a hunger strike to demand swifter trials, better food, and the transfer of a warden, which they say caused the riot.

Guadeloupe

Highway Blocked in Support of Jailed Recruit

FL1006133088 *Bridgetown CANA in English*
1657 GMT 9 Jun 88

[Text] Pointe-a-Pitre, Guadeloupe, June 9, CANA—Militants calling for the release of jailed Army recruit Bruno Anastaz on Thursday blocked Guadeloupe's most important highway for two hours to back demands for his release.

The militants erected barricades around 6 a.m. on the Gaba Bridge, the only land link between the two halves of Guadeloupe, Basse Terre and Grand Terre, forcing a massive pile-up of traffic.

The barricades were removed two hours later as promised before police could intervene. Leaders of the protest belonged to the Youth Committee for the Release of Anastaz. Anastaz was jailed by the military authorities after he did not respond to orders from his commanding officer in an Army camp near Pointe-a-Pitre.

His supporters, who include a number of pro-independence groups, claim that he was severely mistreated by French police. They charge this was prompted by racism within the French Army which has a compulsory two year enlistment, compulsory for eligible males.

The Army has denied charges that Bruno was mistreated but the affair has now erupted into a major controversy in Guadeloupe with Bruno's supporters calling on

French President Francois Mitterrand to intervene in the matter. It also comes at a particularly sensitive time since the second round of the French parliamentary elections scheduled for this coming Sunday.

The youth committee, which has scheduled a meeting in Basse Terre for tonight, says it will initiate further protest action if Bruno is not released.

The incident has been likened to the George Faison incident when protest over the jailing of the black Guadeloupean teacher forced a shutdown of the island for a week before he was eventually released. The first major action in that protest in 1985 was also the blocking of the strategic Gaba bridge.

Jamaica

Michael Manley Comments on Upcoming Election

Domestic Issues Focus

FL1006162088 Bridgetown CANA in English
2108 GMT 9 Jun 88

[Text] Port-of-Spain, Trinidad, June 9, CANA—Jamaica's opposition People's National Party (PNP) leader, Michael Manley, has forecast that general elections in Jamaica will take place in the second half of the year and will not be influenced by powers outside the region—as in previous polls. Instead, Manley said Wednesday, the next election would be focused mainly on domestic issues.

This is going to be a very local election, fought on issues about economic management and the fact that the productive side is not growing, very much fought about the state of social services, education and health, fought about issues like the terrible eclipse of national pride, the feeling that everything is now externally oriented and determined, he told reporters.

Manley, a former prime minister, made the comments at a press conference in Port of Spain to launch his latest book "A History of West Indies cricket."

Ideology was a major talking point during the 1980 election, when the PNP lost power. (The party boycotted the 1984 poll because it was held on an old voters list.)

The poll also saw a deterioration in the PNP's relations with the United States, which had worried about Manley's growing ties with Cuba. U.S.-Jamaica ties were to improve under Seaga.

Manley, tipped by latest polls in Jamaica to win the forthcoming election by a 58 to 42 percent margin, also complained about Prime Minister Edward Seaga's threat to delay the poll unless Manley agreed to a national debate between the two.

Manley said it would be an irresponsible act for Seaga to put off the elections beyond the December deadline. Manley also spoke of his party's commitment to the Caribbean Community (Caricom), and accused the ruling Jamaica Labour Party of being indifferent to the regional integration movement.

On Seaga's claim to an upswing in the Jamaican economy, Manley said: What he didn't bother to talk about is that we are the most indebted nation in the world per capita, that the Jamaican external debt is now one and a half years of our gross domestic product, making us the most per capita indebted country in the world...

What he didn't talk about is how we are going to repay those debts, how come the GDP is supported by huge loan income, huge increases in trade, commerce, a vast adverse trade balance with tourism as one positive element.

Jamaica's external debt at June 1987 was U.S. 3.6 billion dollars, according to the Caribbean Development Bank's annual report.

Manley said that the PNP was concerned that the income of the growth as described by the Seaga regime was back in the old traditional colonial trading syndrome and tourism.

On Anticorruption Drive

FL1006160088 Bridgetown CANA in English
2141 GMT 9 Jun 88

[Text] Bridgetown, Barbados, June 9, CANA—Jamaica's opposition People's National Party (PNP) will launch a major anti-corruption programme if it wins the next general election, its leader Micheal Manley said here on Thursday.

Jamaica has reached the stage of its development where it is going to have to take the problem of corruption very seriously and if it is our responsibility, we are going to try to find ways of starting a major anti-corruption process because we think that all countries have to do that, Manley told a news conference here. "From time to time countries begin to stray into corruption and you have to be vigilant and strong about it," he said.

Manley referred to the corrupting influences of drug trafficking and said it posed the greatest threat to the development of a viable Jamaican society.

He said a PNP administration would work out a massive education programme outlining the dangers of drug abuse.

Manley, who was in power from 1972-80, ruled out the legalisation of marijuana as an option for his party.

He said a remedy for the drug problem also lay in the United States tackling the problem of demand. "(Otherwise) we are all going to be overwhelmed by that market."

Jamaicans are expected to go the polls this year and Manley said he was "very, very hopeful" for a peaceful election campaign compared to the violence of 1980 when hundreds died.

The PNP and the ruling Jamaica Labour Party (JLP) are currently negotiating a so-called peace accord ahead of voting.

Manley said the PNP had no regrets about boycotting the 1983 election saying the action had saved democracy in Jamaica by pushing the JLP to carry out electoral reform.

"We now have a first class system and an absolutely up to date voters list," Manley said.

He said during its period out of office, the PNP had been courageous enough to reshape its policies, including on private investment and relations with socialist nations.

He said he hoped that the recent Soviet/American summit would lead to a lessening of tension between the United States and Cuba.

The latest opinion polls suggest a comfortable victory for Manley in any election called soon.

The former prime minister said that in spite of the pending vote, new investment was reaching to Jamaica for the first time in years.

"And it is doing so in the almost certain knowledge that the PNP will win. And therefore a lot of people are voting their confidence in continuity."

Manley Makes Caricom Expansion Recommendations
FL1006164088 Bridgetown CANA in English
2147 GMT 9 Jun 88

[Text] Bridgetown, Barbados, June 9, CANA—Caribbean Community (Caricom) leaders should move rapidly to restore confidence in the area as a trade zone, Jamaican opposition political leader Michael Manley said here on Thursday. Manley also recommended a resuscitation of the Caricom multi-lateral clearing facility, a payments clearinghouse to support regional trade which collapsed in 1983.

The former prime minister's statements at a news conference were made ahead of next month's Caricom summit in Antigua.

Manley made other recommendations for expanding Caricom. "We are personally convinced that if you really want the integration movement to take off that you have to move toward the institutions that facilitate it, of which perhaps the most important is a Caribbean stock exchange and we have been advocating that for a couple of years now."

He said a regional stock market would require regulations which permits the movement of property, money and profits across the area. Certain countries, he added, would have to change their alien landholdings acts to give the right to Caribbean citizens to own land in Caricom member nations. "The force of economic and historical pressure is driving the world's regions to more rather than less co-operation, to aggregation rather than disaggregation of their economics... we need to do the same." He said the development of a common external tariff and a common currency were other "exciting challenges."

Oil Export Prices Drop for America, Europe
FL0906154088 Mexico City NOTIMEX in Spanish
2233 GMT 8 Jun 88

[Text] Mexico City, 8 Jun (NOTIMEX)—Pemex has reported that prices of Mexican oil exported to American and European markets dropped again in May after they had recovered in April.

Exports amounted to an average of 1.357 million barrels of crude a day. This is higher than April exports when average sales reached 1.249 million barrels a day.

In its monthly report of volumes and prices of export oil, Pemex adds that the average prices of sales to the American continent in May was \$15.78 per barrel of Isthmus type oil, while this same type of oil was sold at \$16.00 in April.

The price of the heavy Maya type oil was \$13.07 per barrel. It recovered slightly compared to the month of April, when it was \$12.77.

The average price of the Isthmus oil for the European market during the first half of May was \$14.99 per barrel and the Maya was \$12.15. The average price of light oil for the European market in April was \$15.43 and \$12.51 for the heavy type.

The prices of oil Mexico exported to the Far East did not register changes in May. They remained at \$15.30 for the light type and \$12.60 for the heavy.

Regarding petroleum byproducts, the Pemex report indicated that lighter sales were registered in May compared to April inasmuch as exports averaged 34,000 barrels a day. This amount is less than the 60,000 per day exported during the previous month.

Last month, the United States continued to be the main buyer of Mexican crude, accounting for 51 percent of total Pemex exports. Spain ranked second with 21 percent, compared to 14.6 percent for April, while Japan came in third place with 15 percent.

Mint Bids for Panamanian Coin Contract
PA1106124988 Paris AFP in Spanish 2143 GMT
10 Jun 88

[Text] Mexico City, 10 Jun (AFP)—Mexico is interested in minting coins for Panama, whose government began accepting international bids for that purpose almost a year ago, according to statements made today in Mexico City by sources within the Mexican Mint.

In July 1987, Panama issued invitations for international bids to mint an unspecified quantity of coins of various denominations, but the project was postponed because of the economic problems Panama has faced as a result of its internal political crisis.

The countries that submitted bids included Canada, the FRG, the United States, the United Kingdom, and Mexico.

The sources said: "We hope Mexico will win the right to provide that service, since we are qualified to do so and we have a solid tradition."

Mexico has produced all of its currency, both paper money and coins, for the past 2 decades, and has provided this service to other countries, mainly in Central America. It is currently working on a consignment of Guatemalan coins (quetzals) at its mint.

Last month, Mexican Mint director Napoleon Gomez Urrutia stated that contracts were being concluded to mint coins for Uruguay, India, and Costa Rica.

Briefs

Inflation Index Figures Reported

The Bank of Mexico has reported that the consumer price index for May increased 1.9 percent compared to April. This is the lowest figure registered since November 1981. Inflation in May is much lower than the figures reported for the first 4 months of 1988. The inflation index in January was 15.5 percent, in February 8.3 percent, in March 5.1 percent, and in April 3.1 percent. Thus, accumulated inflation during the first 5 months of 1988 is 33.9 percent. [Summary] [PA1006165488 Mexico City XEW Television Network in Spanish 1300 GMT 10 Jun 88]

Costa Rica

Ambassador To Return to Panama 'Next Week'

PA0906234388 Panama City ACAN in Spanish
1746 GMT 9 Jun 88

[Text] San Jose, 9 Jun (ACAN-EFE)—It was officially announced here today that Miguel Yamuni, Costa Rican ambassador to Panama, will resume his functions in Panama next week.

Last March, Costa Rican Foreign Minister Rodrigo Madrigal Nieto called Yamuni back to Costa Rica for consultations. This took place a short time after the Panamanian parliament dismissed President Eric Arturo Delvalle, replacing him with Manuel Solis Palma.

Costa Rican Deputy Foreign Minister Carlos Rivera Bianchini said that Yamuni's return to Panama "is necessary" to normalize embassy operations.

Today Yamuni said that he has instructions to contribute to the Panamanian reconciliation process and to strengthen the friendship that has always existed between the two peoples and governments.

President Arias Returns From U.S. Visit

PA1206144788 San Jose Radio Reloj in Spanish
0100 GMT 11 Jun 88

[Text] President Oscar Arias Sanchez returned to the country at approximately 1200 today after remaining nearly 1 week in the United States. During his visit, the president delivered a speech at the United Nations and yesterday was granted an honoris causa doctorate degree in law from Harvard University.

The presidential palace kept the hour of his arrival a secret. First, it was said he would arrive at 1900, but later it was said he would arrive at 1400; yet he returned at 1230. This was done because it was feared the farmers would stage a demonstration at Juan Santamaria Airport and would thus prevent the president from leaving the airport.

President Arias said that although it has been announced that the dialogue between the Nicaraguan Resistance [RN] and the Sandinist government has been broken, he hopes the dialogue can be resumed at any time. The president added that he has heard many times that the dialogue has been broken, but later it is resumed. Therefore, we must urge both parties—both Alfredo Cesar of the RN and the Nicaraguan Government—to make the necessary efforts to resume the talks. President Arias Sanchez added that reaching agreements is not an easy task, but if one is patient and insistent one can continue searching for a dialogue between the parties in Nicaragua.

Shortly after arriving in the country, President Oscar Arias urged the farmers to end their attitude. The president added that because of this situation, he decided to return early to the country although he had been in touch

with Vice President Jorge Manuel Dengo. We must now urge the peasants to end their attitude of violence and force and understand that problems will be resolved only through a dialogue, Costa Rican style.

Briefs

GNP Grows in 1987

Today Costa Rican Planning Minister Otto Solis said that the country's GNP grew 3.9 percent in 1987. Solis felt pleased by the 3.1-percent growth in exports. The official noted that imports rose 20.5 percent in 1987 and the cost of living rose 16.4 percent. He also stated that the trade balance deficit rose from \$27 million in 1986 to \$227 million in 1987. [Summary] [PA0906151688 Paris AFP in Spanish 0450 GMT 9 Jun 88]

El Salvador

Duarte Stable; Progress 'Very Satisfactory'

PA1106034788 San Salvador Canal Doce Television in Spanish 0317 GMT 11 Jun 88

[Text] This morning President Jose Napoleon Duarte was removed from the Intensive Care Unit at Walter Reed Hospital. He is resting and his clinical condition is stable. This announcement was made today by Culture and Communications Minister Roberto Viera, who released the latest information received from Washington.

This morning Minister Roberto Edmundo Viera released the latest update on President Duarte's condition obtained from Walter Reed Hospital in Washington. The document states that an examination of the president's stomach tissue performed after the operation indicates that the cancer was removed completely and that a recurrence is highly unlikely.

[Begin Viera recording] This leaves the cancer that is located exclusively in the liver, for which a program of chemotherapy has been scheduled to treat the cancerous hepatic lesion. The president's prognosis remains serious, but his progress has been very satisfactory. [end recording]

Since the president's digestive apparatus is functioning with only 40 percent of the stomach, he will have to follow a very strict diet in the future, the minister said. He added that it is still not possible to say whether the president will be able to resume his duties.

Castillo Claramount Rejects Military Solution

PA1206135288 San Salvador EL MUNDO in Spanish
10 Jun 88 p 2

[Text] San Salvador, 10 Jun (SISAL) [expansion unknown]—Acting President Rodolfo Antonio Castillo Claramount has said that the solution to the Salvadoran conflict must be political, not military.

In statements for a Mexican newscast, acting President Castillo Claramount said: "We reject the idea of war being the solution to the Salvadoran problem, because this is a conflict that is political, social, and economic."

The political, social, and economic problems must serve as a basis to seek answers and solutions, and these must be politically analyzed, Castillo Claramount said.

The leftist political forces' joining the democratic process is a sign that the solution to the Salvadoran crisis must not be violent, but should rather have a political solution, achieved through a national consensus, he added.

The official added that the National Revolutionary Movement (MNR) and the Social Christian People's Movement (MPSC) are in the process of registering to join the political campaign for the upcoming elections. According to Castillo Claramount, this is a step forward in the process of democratization that began in October 1979.

When asked whether the country will face political imbalances because of President Duarte's illness, Castillo Claramount said no.

"I hope the president will recover enough to assume his duties and continue in government," the official added.

Castillo Claramount did not reject the possibility of a closer collaboration with President Duarte and his government once he has recovered from his illness and returned to the country to assume his duties.

The acting president said that a solution to the 8-year war in El Salvador will be closer once the leftist sectors linked to the FMLN begin to join the democratic process in the country.

The acting president's statements were broadcast, via satellite, on Mexico's "24 Horas" newscast.

Guatemala

Trial of Civilians Involved in Coup Begins

PA1006174388 Panama City ACAN in Spanish
0038 GMT 10 Jun 88

[Excerpts] Guatemala City, 9 Jun (ACAN-EFE)—Opposition leader Mario Castrejon, a Nicaraguan Resistance [RN] collaborator, would have been installed as Guatemalan president if the 11 May coup had been successful, the government said today.

Castrejon, who was involved along with four other civilians in the military coup attempt, was released on bail 8 June after paying 1,000 quetzales (\$400) and after being held under preventive custody for less than 24 hours.

In a trial that is taking place here in a criminal court that ordered his arrest, the government accused Castrejon of "fostering crime, offensive actions, and slander against the president"

The leader of the Guatemalan National Party [Partido Nacional Guatemalteco] (PANAG), currently being formed, and member of the voluntary medical brigades of the RN, Castrejon has repeatedly urged citizens to carry out "peaceful resistance" against the government.

Today Castrejon, who had initially been accused by President Vinicio Cerezo's government of promoting a "rebellion," said he "supports" the Army officers who attempted to overthrow the president on 11 May, an action described by the government as an act of "indiscipline." [passage omitted]

Businessman and rancher Nicolas Buonafina, another of the civilians involved in the coup attempt, was questioned. Next week, the court will do the same with Danilo Roca, opposition politician and newspaper columnist. [passage omitted]

'Terrorist Attack' Destroys News Media Offices

PA1006170688 Paris AFP in Spanish 1634 GMT
10 Jun 88

[Text] Guatemala City, 10 Jun (AFP)—Today at dawn a terrorist attack destroyed the offices of the Central American News Agency (ACAN-SIAG) and the weekly LA EPOCA in Guatemala City; no one was reportedly injured.

The attack occurred at 0545 local time (1145 GMT), when several unidentified men entered the building in the downtown area where the two media have their offices and destroyed the building with explosives.

"Everything was totally destroyed," one of the LA EPOCA workers said after inspecting the offices located on the third floor of the building.

The attack occurred a few hours after the weekly edition of the newspaper—founded in February 1988—went on sale.

The weekly is directed by journalist Byron Barrera, an exiled Guatemalan who returned to the country after Vinicio Cerezo was sworn in in January 1986.

There have been two attacks against Guatemalan media in less than a month, beginning on 18 May, when the offices of the Soviet news agency TASS in Guatemala City were attacked with explosives.

Following that attack, Aleksandr Trushin, in charge of the TASS office in Guatemala, left the country.

Honduras

Regalado on Unity, Drug 'War,' EPS Clashes

PA1006220688 Tegucigalpa Voz de Honduras
Network in Spanish 1130 GMT 10 Jun 88

[Interview with Armed Forces Commander General Humberto Regalado Hernandez by unidentified reporters at the conclusion of ceremony marking the 25th anniversary of the 3d Infantry Battalion in Naco, Cortes Department; date not given—recorded]

[Excerpts] [Reporter] What is the internal situation in the Honduran Armed Forces? Are they united? Are there differences among the officers of the (?General Staff)?

[Regalado] I have often said that the Armed Forces are solidly united. We have noticed, however, that some biased sectors are always trying to foster a division within the Armed Forces for reasons unknown to me. I can tell you that this institution [words indistinct]. Moreover, we are worried about the problems affecting Honduras.

[Reporter] [Words indistinct] remarks by the Supreme Court of Justice to the effect that the military authorities do not provide sufficient evidence when they arrest drug traffickers.

[Regalado] I do not want to start an argument. We have told the congressional commission, for example, [words indistinct] of all the cases we have brought to various courts. There are a total of 58 different cocaine cases. The only ones who are in jail, however, were those tried by Miguel Angel Izaguirre.

[Reporter] Did Izaguirre have your support and that of all the military authorities while he was the judge in Tela? Has he lost his ties to the Armed Forces? Does he still have your support?

[Regalado] This matter has been clarified. As we stated in the official communique, and as we told the congressional commission, we provided him with security because he was a member of the judiciary. He was handling a thorny problem. I think we had the duty to provide him with security. Later, we felt obligated to continue to provide him with security. This person has courageously faced this problem. If he were killed, it would be very difficult to expect anyone to enforce drug trafficking laws in the future. [passage omitted]

[Reporter] (?Will the Honduran Armed Forces) continue their fight against drug trafficking even though Armed Forces officers may be involved?

[Regalado] We have declared an open war. We are prepared to enforce the law, regardless of who is involved. On many occasions, I have said that this is our policy. We are directly dealing with that problem. As I told you, the Honduran Armed Forces alone should not fight this problem. We have asked all the people to give us information so we can act. [passage omitted]

[Reporter] Recently, there has been talk of some clashes between the EPS and the Honduran Armed Forces along the border. What is the situation there?

[Regalado] Yes, we are worried. There have been constant incursions into our territory. There has been an exchange of fire involving our security posts along the border. We are also concerned because of the remarks by Nicaraguan President Daniel Ortega. He said if the Sapoa negotiations lead nowhere, an operation bigger than the "Danto-88" operation will be conducted. We are concerned because our air space and territory may be violated again. As you will understand, the chief duty of the Honduran Armed Forces is to enforce respect for our national dignity.

Moreover, there have been some problems on the border with El Salvador. Specifically, there have been problems in the refugee camps. It is not news to you or to us that these camps are resting places for Salvadoran guerrillas. We are trying to find a way to control these refugees. We have also had problems when people without authorization to leave the camps go out to carry out a mission for the Salvadoran guerrillas. [passage omitted]

Nicaragua

Verification Panel on Government Stand at Talks

PA1206224088 Managua Domestic Service in Spanish
2006 GMT 12 Jun 88

[Verification Commission document issued by Cardinal Miguel Obando y Bravo and OAS Secretary General Joao Clemente Baena Soares, witnesses to the FSLN-contra cease-fire talks, in Managua on 10 June]

[Text] The Verification Commission established by the Sapoa agreements, whereas:

1. At the 9 June 1988 plenary session, the head of the Nicaraguan Government delegation, through the document that is appended, asked this Verification Commission to confirm the points outlined in that document.
2. It is the duty of the Verification Commission to render testimony.
3. By the express will of the two parties, the mandate of the Verification Commission remains in force.
4. After reviewing the records kept by the members of this commission or by their representatives to the various meetings of the last round of negotiations, resolves to issue the following statement:

A. During the present round of talks between the government delegation and the Nicaraguan Resistance [RN], the government delegation made the following proposals:

1. To keep the Sapoa agreements in effect while a final cease-fire agreement is negotiated.

2. To keep the Verification Commission, created by the Sapo agreements, in force.

3. To deliver the humanitarian aid to the RN forces inside Nicaraguan territory. This should be done through the Pan-American Development Foundation while a definitive cease-fire agreement is under negotiation.

4. To make sure that the Pan-American Development Foundation will be the neutral organization in charge of delivering humanitarian aid to the RN forces inside Nicaraguan territory after these forces have gathered in the zones stipulated in the Sapo agreements.

5. To extend the deadline for the suspension of offensive military actions to 30 June 1988.

6. To set a date for the next meeting to continue negotiations for a definitive cease-fire.

B. The government delegation has presented the following documents:

1. An overall proposal for a definitive cease-fire, comprising 32 points, presented on 18 April 1988. According to the document delivered by the government delegation, agreements have been reached on 20 of these 32 points.

2. A proposal for a schedule for compliance with all the points that—according to the government delegation—are contained in the proposal for a definitive cease-fire. This proposal for a schedule for compliance will be integrated into the cease-fire proposal. We attach this proposal for a schedule for compliance.

According to the government delegation, this schedule included a 60-day period in which to establish, through a national dialogue, the necessary agreements with regard to democratization contained in point No 26 of the proposal for a definitive cease-fire.

According to the Nicaraguan Government delegation, this schedule includes the specific deadlines that the government must meet with regard to all its commitments relating to amnesty.

C. In the current round of talks, the government delegation also proposed that:

1. The RN allow the International Red Cross' Verification Commission to confirm the number and identity of the people who, according to the government, are still in RN camps and bases.

2. The RN deliver the 66 hostages they claim to be holding.

D. In the current round of talks, the Nicaraguan Government delegation declared:

1. Its willingness and decision to recognize the full validity of the Sapo agreements, signed within the framework of Esquipulas.

2. Its willingness and decision to recognize the full validity of the Verification Commission created by the Sapo agreements.

3. Its decision to maintain the unilateral suspension of offensive military operations until 30 June 1988, a decision that has already been publicly announced.

4. Its willingness to agree on a new date on which to continue negotiations with the RN, within the framework of the Sapo agreements, to achieve the signing of an agreement for a definitive cease-fire.

Issued in Managua on 10 June 1988

[Signed] Cardinal Miguel Obando y Bravo

Ambassador Joao Clemente Baena Soares

Officials, Contras, Witnesses View Talks

D. Ortega Comments

PA1106232288 Managua Domestic Service in Spanish
1906 GMT 11 Jun 88

[Speech by President Daniel Ortega during a "Face the People" program held at the (Celin Childre) Dairy Farm in Leon, Nicaragua—live; broadcast in progress]

[Text] ...you have asked very important questions, because they are in the minds of all workers, all Nicaraguans. A very important question had to do with food supplies and prices. When we talk about supplies and prices, we must, of course, also refer to workers' salaries. We must be clear on this subject. We cannot entertain great hopes. We must work based on our reality. Our reality, first of all, is linked to the war. Ending the war is a problem that does not basically depend on us; it basically depends on the U.S. Government.

War causes great damage, not only to the country's economy, but in terms of Nicaraguan lives. War takes away the lives of Nicaraguans; it means the death of children, youths, and mothers—all of whom have been murdered by the contras. In addition, the economic consequences of war are grave. If war takes life away from us, how will it not hurt our economy?

Therefore, our economy is not as we would like it to be: a normal economy. War is a very important factor in this. We talk about war every day, and we find it difficult to resolve our economic problems because of the war. When we discuss economic problems and try to find solutions for those problems, we seem to forget the war. When we talk about supplies, prices, and salaries, we cannot forget the war.

We cannot forget another factor that is beyond our control, which is our international economic, financial, and commercial relations. If Nicaragua had large milk production and had the opportunity to export milk, it would not be easy to place that product on the international market. We could not set the price of milk based on our production costs. The price of milk—unfortunately, that is the way things happen in the world—at the time of purchase, the price is determined by the purchaser. The price of coffee is also set by the purchaser, along with the price of cotton and sugar. The purchasers are the rich and come from industrialized, highly developed countries. They are the buyers. When they buy, they set the prices.

Even though it may have cost us much more to produce a quintal of sugar, they set the prices without taking into account the production costs. However, when they sell their products, they are the ones who establish the prices, and those prices never drop. Those prices are always high. The spare parts we have ordered for the trucks for La Perfecta, for El Esquimo, for the dairy industries—to ensure that those 12 trucks can be put to use instead of remaining idle—must be purchased with dollars. We cannot determine the price of tires or any spare part. We cannot say that we will buy a tire at a certain price. No. We must purchase it at the price we are asked to pay abroad, and tires and spare parts are more expensive every year. That is another problem we have: our economic reality. War, and that unjust economic situation.

Those are two factors that we have to deal with; those are two things exerting pressure on our economy. In Nicaragua, those factors necessarily harm the Nicaraguan economy, because, after all, the harm done to the lives of the Nicaraguan people is harm done to the Nicaraguan economy as well. These factors, therefore, limit us, limit our production, because there might be a willingness to work at a certain productive enterprise, just as there is a willingness to work among the comrades of Milca; workers are willing to work, but we do not have all the necessary resources for production centers to operate at full capacity.

The result of this is, for example, the problem of the Milca comrades. That factory is virtually paralyzed because of a lack of raw materials, containers. Until the problem is resolved—the solution to this problem is, in fact, under way, but depends on a supply that is coming from Spain—our production will suffer negative effects. Our production is dropping.

Can a COSEP [Higher Council of Private Enterprise] reactionary, a rightist, or a rightist-leftist political party tell us that we are not producing at top capacity at La Perfecta [milk processing company] because workers do not know how to work, or because the company is not managed well, or because there is no discipline and organization? No, they cannot tell us that. At La Perfecta the workers now have greater discipline and a greater willingness to work and to produce than in the past, because they know that this company belongs to them.

However, we have a problem with raw materials, and even if there is the willingness, there is the [words indistinct] problem, and production drops. Therefore, their problem is not related to a lack of ability to manage production or a lack of ability on the part of the government to direct or to manage economic policies; the problem is directly related to the two external factors I have mentioned: the war and unjust international economic relations, under which the rich countries, the powerful countries impose the rules of the game on the developing countries. That is the reality.

This being our reality, we must put up with it and understand that because the war has continued for over 7 years, damage and deterioration have affected our country's overall economy. We suffer not only direct actions but terrorist attacks, such as when a truck is destroyed. How many trucks have been destroyed in the 5th Region, in the 6th Region, while traveling along the roads and picking up milk, gathering milk from producers when the contras ambush the trucks, kill the driver or the driver's helper, and destroy or set fire to them?

There is not only this direct damage but the indirect damage—the blockade, the embargo. Right here we have U.S.-made equipment that requires spare parts manufactured in the United States. However, because of the embargo, we have problems getting those spare parts; and if we go looking for them elsewhere, we have to pay double the price.

Therefore, we have to accept this reality, to accept a reality that imposes on us greater limitations than we had during the early years of the revolution. During the early years of the revolution more products reached us. The situation was not yet so serious, even though the aggression was developing. However, the situation is more serious now, and we are feeling the pinch at the economic level. Since this is the situation, we must clearly realize that the supply of goods, of food, is limited, very limited, in our country. In other words, the supply is not large enough to reach the entire population in the quantities justifiably demanded by the population.

This obliges us to ration products. To ration products, we first have to guarantee the Nicaraguan people their staple and basic products. Without a doubt, we must first guarantee staple and basic products to all the men, to workers in the city and countryside, to the youths who are arming themselves to defend the revolution on the battlefield, because that is our first line of defense. If the enemy had managed to break through that first line of defense, we would not even be meeting here. We would have to be fighting, and production would proceed in another way. Therefore, we must first guarantee supplies—which are not abundant—to the fighters. We must guarantee 100 percent of their minimum needs, not 100 percent of their optimal demands, because we must have a limit.

Our soldier is not a soldier who is fed as well as the U.S. soldier. For instance, when U.S. soldiers went to fight in Vietnam, when they invaded Vietnam, they were given cold Coca Colas, cold beer, beef, and everything else—even on the frontlines. They were given a number of products that our soldiers do not even dream of. The U.S. soldier, when he was fighting in Vietnam, had his boots replaced the following day if they were torn. Our soldiers here do not have their boots replaced until they are practically barefoot. The same goes for their clothes. We must supply our frontline fighters' minimum needs for as long as this war continues. We know very well that it has not ended, although a cease-fire exists. We must also guarantee a basic supply for productive workers in the countryside and in the city.

This does not mean that a teacher is not a productive worker. Here every worker is productive in the general sense of the word. However, the worker who is most closely linked with material production must be assured food, first of all. He must be assured of the minimum food supply. We must also guarantee supplies for hospitals where the sick are, where people are hospitalized and need a little bit of food while they undergo treatment. We also have to ensure supplies there.

We are speaking of three [as heard] important groups of our population that must be supplied first: the fighters; the workers directly involved in production; the peasant who is working the land, producing coffee, corn, beans, and developing the cattle industry; the worker who is in the factory, producing basic goods for the population, such as clothes, soap, milk, and oil; and those in hospitals. We have other groups of workers who are not in these categories. The rest of the population must understand that supplies are limited and, therefore, we cannot make equal distributions. If we do, the soldier will not defend his battle trench well, the peasant or factory worker will not produce well, and we will not be able to care for the hospital patient well. Therefore, we have to ensure supplies for these three sectors.

Regarding the other sectors, well, we have a list of five products that are not always available. Well, this situation is not going to change. This situation cannot change, because we have to use our sugar, oil, soap, and what meager products we have to guarantee our defense, to guarantee production in the rural areas, to guarantee production in the cities; but this does not mean that we are completely meeting the needs of those sectors. The availability of products continues to be limited. We only have a limited amount of these products. It is very important that everyone understands the problem we are facing. If the people do not understand the problem, we will continue to have groups complaining that they are not getting enough sugar, beans, corn, or meat. Everyone must understand that our supplies are limited.

We must be very clear and explain to the people that those who must use their cards to purchase these products at the small grocery stores in their neighborhoods will find that

there will be days when these products will be available, but there will be other days when they will not be able to get them. That is the truth. Our main effort must be to ensure that our soldiers, our rural producers, and our urban producers continue to receive these products. As you are very well aware, and this is why you raised the issue here, all these products have a set price. We have tried to establish a set price for each of these products. However, it has been very difficult to control these set prices. Speculators keep getting in our way. Since there is no control, speculators are freely hoarding the products, which they sell at a much higher price at a later date.

What is happening? Well, the enterprise producing the product has to make a certain profit. For example, it costs the enterprise 20 cordobas to produce a specific product, and they sell it for 30 cordobas. They are making a profit of 10 cordobas. However, when a person buys this same product on the market, he pays 60 or 90 cordobas for it. Those 30 or 60 extra cordobas do not constitute a profit for the enterprise; that money does not go back to the enterprise. The enterprise already sold the product for 30 cordobas and made its 10-cordoba profit. Those 30 or 60 cordobas go into the speculator's pocket.

In February, we implemented a few measures. These measures are aimed at establishing the actual cost to produce a product. It is very difficult for some enterprises to figure out actual costs, particularly if they have their own commissary, health center, CDI [Child Development Center], school, or if workers have been transferred. For example, a comrade who works as a packer at La Perfecta may be sent out by his union to get beans or rice to supply the commissary; this comrade stops being a packer and becomes a businessman—I use the term businessman because that comrade will be buying products to supply the commissary.

All these factors affect the product's actual price. The comrade who has become a businessman is still being paid, but he is no longer working as a packer. With the measures we have implemented, the enterprise is being forced to determine the exact price of its products.

How much does it cost us to produce a liter of milk at La Perfecta? How much profit should be made? Only in this way will an enterprise be able to work with greater autonomy. For example, how much does it cost to produce a liter of milk? How much is that liter sold for? How much for a liter of milk? [speaker says: "6.10 cordobas."] 6.10 cordobas.

However, we must remember that we depend on imports to produce certain products and that the actual price of many of our products will, therefore, depend on the price we pay for these imports. I must add that the price of the products we import increases on a daily basis. Therefore, if a month from now the enterprise finds that the actual cost of the product is not 6.10 cordobas but 6.50 cordobas, it should be free to approve its own price increase and not have to wait until someone else approves it. By

the time someone else approves the increase, the actual production cost has increased and is now 7 cordobas. Therefore, the enterprise must be free to establish its own prices. This in turn will help the SNOTS [National Labor and Wages Organization].

That is what we want. If an enterprise is given flexibility with regard to prices, those prices are going to change on the market; that is true. However, our purpose is to maintain production so that enterprises will not begin to experience losses. How can an enterprise recover a loss? With inflation, and inflation will not resolve the problem. Therefore, we agree that enterprises should be able to adjust their prices to reasonable levels. Of course, buyers will not purchase products if prices are set arbitrarily.

Distribution should also be directed properly, of course. How? By taking products to those sectors that we believe should receive them. We should ensure that the sector we want to protect can purchase products at the price the enterprise has established at the time in order to make a profit. Surplus products could be sold on the free market. In this way, the enterprises that have been tied up by the SNOTS... [changes thought] The SNOTS provides a way to measure salaries under the current circumstances and, therefore, we feel that it continues to be a necessary point of reference. In other words, with this we are not saying that the SNOTS will be eliminated. We continue to defend the SNOTS. However, taking the SNOTS as a point of reference, enterprises can have a more flexible wage policy. An enterprise having high profitability, an enterprise making a profit should use a percentage of that profit toward salaries. It should distribute part of that profit into salaries instead of waiting for the state to order a wage adjustment. Unprofitable enterprises will face more difficulties, because they will be in trouble and will have to [words indistinct].

Now, some efficient enterprises may still have problems in obtaining raw materials. Well, right now you are having problems with plastic; Milca is also having problems, and both are efficient enterprises. This situation must be taken into account in order to protect the profitability of an efficient enterprise whose production we want to continue.

On the subject of wages, we cannot decree a salary readjustment that will allow all Nicaraguans to go out and buy everything they need. That is impossible. No country in Latin America can decree a wage increase sufficient for all workers and citizens to be able to go out and buy everything they want to with their salaries. That is impossible, and much more so given our situation.

Therefore, we must face the wage problem with periodic readjustments, which cannot be very high, because we would be deceiving ourselves; we would all be fooling ourselves. If we came out now with a 500- or 600-percent readjustment—as proposed by some labor leaders who call themselves leftists but who appear in the rightists' and CIA's newspaper—if we came out with that type of

wage increase, we would only be fooling ourselves and encouraging inflation. How stupid we would be to not use that magic wand if it could resolve all our problems. In the same way, all Latin American economists and governments would be equally stupid, if that were the answer to their problems.

To say that by giving wage increases we would discover the solution to our economic problems is absurd. Those who argue that granting wage increases would resolve our economic problems are lying. Those people are simply saying those things because they are interested in harming Nicaragua's economy, because a wage increase is not the way out.

When an enterprise is productive, wage increases are possible. If you increase productivity, this enterprise will make greater profits, and then you should be able to share these profits to improve the shops, or to build a CDI, or to improve salaries. You have already mentioned this, making suggestions on how to invest the surplus. This is fine; anything else would be a mistake.

The most the state can do while we are undergoing this situation is to simply make small readjustments—very small, insignificant, symbolic readjustments, we could say. Real salary readjustments will take place in those enterprises that are efficient and productive. The enterprise that is productive, efficient, fixes the prices of its products, and makes a profit will be able to pay its workers a little more, using the SNOTS as an example.

We are determining here a policy of minimal salary adjustments, an open policy of prices, and a policy in which the enterprises can decide their salary adjustments themselves. Thus, they will then decide if they can use the SNOTS; this will depend on the enterprise. If there is a salary adjustment, will the enterprise be in better shape? That is not true. Production does not depend on whether we now decree a 1,000-percent salary adjustment. We can decree a 100,000-percent salary adjustment, but if you do not solve your organizational procedures affecting your production, production will not improve. [Words indistinct] thus, salary adjustments do not have a true impact.

Furthermore, we know that salary readjustments raise production costs, which, in turn, raise prices. We thus have to live with this reality of flexible prices and of flexible salaries as well. However, these salaries will not be readjusted by a Labor Ministry decree... [changes thought] A Labor Ministry salary readjustment decree will be issued, but the readjustment will be minimal. Salary adjustments will take place in all enterprises, depending on the productivity and solvency of the enterprise. Salary adjustments will depend on the organizational ability of each enterprise, on the workers, and the workers' decisions as to how to invest the profits. Either we invest profits in salaries or in a CDI. What did

we invest them in? We invested them by purchasing a spare part for this vehicle. If you have a good client, we could even suggest this. [sentence as heard]

This will depend on you; you are able to sell your products as you best see fit, but you should always keep in mind the needs of certain sectors. Citizens that go to a shop should be able to purchase a certain product. This is important—the right to find a certain product even if the price has changed. The important thing is that the product be available, because if the product is not on the market because of a price change, it might be sold on the black market. Comrades, we have to deal with the problem of supply, prices, and salaries in this way. We should be completely aware of the fact that we have a supply problem.

Our food supply is limited; our clothing supply is limited; our shoe supply is limited. There are many products that workers justifiably request but that are limited. The distribution of these products will continue to be difficult as long as we have limitations and production is not increased. We will be able to offer more products when we are able to increase production—even if it is increased little by little—within our country. The speculator that today is able to speculate on any product will not be able to do so when we have an abundance of products. Speculation only exists when there is a scarcity. If there is abundance, speculation makes no sense.

To summarize, Comrades: Products will continue to be directed first toward defense, and second toward the productive sector in the rural and urban areas. The other sectors will have to understand this situation. It is true that we have sectors, such as the education sector, which are very important. Teachers have a very noble task and should earn 20,000 cordobas and not 2,500 cordobas. They should be paid better, but, nevertheless, field workers should not be dying. Field workers should not have to confront the contras. Men, women, and children working on an agricultural cooperative should not have to risk their lives. However, the truth is that these workers do risk death. We have to accept this reality. We therefore cannot resolve all sectors' problems. We will answer the teachers' demands according to the extent we are able. We cannot satisfy all the teachers' just demands, and this must be made perfectly clear to teachers.

In Nicaragua, we have lived through very serious military confrontations, when it was clear that U.S. troops were about to enter our country. Our economy is in a very critical state. These realities have led us at times to discuss extraordinary and dramatic measures. One of the measures we have discussed has been the closing of schools. If we have to start closing down sectors because of the economic crisis or because of the war, we will close schools before we close a productive center, or a dairy firm, or an agricultural enterprise. Closing down schools in Nicaragua would represent an impressive budget reduction. We are talking about 12 percent of our budget. In Nicaragua, health, education, and defense take up 80 percent of our budget. Those areas take up most of our budget.

At times the situation has been so dramatic that we have even thought of that. I am saying this so that you will realize what is going on in this country. However, we cannot deny teachers their right to demand better wages, to demand a wage readjustment. But even if we could increase their minimum wages, this would not resolve their problems. To resolve all their problems, our country would have to experience great economic development. Our industry, agriculture, and other sectors would have to produce much more than they are producing right now in order to give teachers a much higher salary and to provide them with good living conditions. This is what we are aiming for.

However, it is impossible when a war is being waged in our country. This is a hope the revolution has: The day will come when there will be no more war in this country, and then we will have enough money to resolve our teachers' problems. When that day comes, we will be able to build homes for them as well. But, at this time, that is impossible.

If we could build homes right now, we would build them in rural areas; we would build homes at the (Chales Island base), where they need workers. It is very important that you know that because of the process that we have called the reduction [compactacion] process, approximately 6,000 workers are out of a job. More than 8,000 workers are needed, but where? In the rural areas. The rural areas are in need of more than 8,000 workers. They need workers for the coffee farms; they need maintenance workers at those farms. A coffee farm needs maintenance just like any factory does. Workers are needed in those areas because the peasants who lived in those areas were killed by the contras, others are fighting the contras, and others now own their own piece of land or have become members of a cooperative. They are producing. Therefore, they need workers to help maintain those farms.

The example of the comrades who have come here today is praiseworthy. They are willing to go out into the rural areas and strengthen production. The basis of all our production is in the rural area. This [dairy] enterprise cannot operate without the help of the cattle sector. The cattle sector cannot operate without the help of the farmer. This enterprise depends on what is produced in the rural area. If we did not have an operational rural area, this enterprise would not be able to operate. We would be producing milk somewhere else; this enterprise would not exist. Without the cattle sector and the farmer, this enterprise would not exist. But the cattle sector can survive without this enterprise.

The (?mint) and soft drink companies cannot survive without sugar. Sugar is a basic product for the production of soft drinks. Therefore, the rural area is essential for the production of food and for the production of export products, which is what provides us with some money to overcome the difficult times our country is facing.

Another issue that you have brought up at this meeting is the negotiations held here in Managua on 7, 8, and 9 June. These negotiations had created great expectations, because we were interested in reaching a total peace agreement at this meeting on the 7th, 8th and 9th. But U.S. President Ronald Reagan and his advisers were not in agreement and are not in agreement with peace for revolutionary Nicaragua. They want a Somozist Nicaragua. They do not want a Sandinist Nicaragua. Then, 2 or 3 days before the meeting here in Managua, Mr Abrams, a high-ranking State Department official representing President Reagan, met in Washington with members of the so-called contra Directorate to tell them how they had to act here in Managua to put an end once and for all, to do away with the peace process. They put their plan into action. As part of the plan, that man Abrams began to say—and he even said this to our ambassador in Washington during a meeting—that the U.S. Government was sure that something would come from the 7, 8, and 9 June meeting. He added that they were supporting this meeting.

The plan was a very simple one. For the very first time, the U.S. Government was creating the impression—and doing it through a man like Abrams, a fanatic—that they were truly interested in seeing an agreement reached at the 7, 8, and 9 June meeting. How nice. Many of the correspondents who came to Managua were very optimistic. Abrams had leaked this to the press. We were willing to negotiate; Abrams said that an agreement would be reached. Everyone thought that the contras—a group that follows U.S. Government orders—would come to Managua and sign the peace agreement. But the United States' real plan was to kill every possibility of a peace agreement; to destroy the peace plan completely; to turn the peace plan to dust; to burn it.

Right now they [the U.S. Government] would be saying—they are saying—that the U.S. Government supported the peace agreement, that the contras had made their utmost efforts, but that the Nicaraguan Government did not want peace. However, the plan fell through. It failed because the flexibility and responsibility demonstrated by the Nicaraguan Government disarmed them before the witnesses. The proposals made by Nicaragua were very clear. The proposals presented a timetable on when and how each step should be taken. Finally, they had no other recourse but to release a communique, recognizing that negotiations should be continued and that they were not going to launch attacks against the EPS.

In other words, they have, in fact, agreed to end offensive operations. They agreed to end offensive operations. After these results had been reached—they were not the ones they expected, but, nevertheless, they managed to prevent a definitive peace agreement from being reached—the U.S. Government started to accuse Nicaragua of being responsible for the talks' failure. The CIA newspaper here in Nicaragua printed an 8-column report stating that Humberto issued a death threat against the contra leadership.

We have clearly stated that these people would be sentenced to death even in the United States for the crimes they have committed against the people. That is nothing new. That is no death threat; that is a fact. What Humberto told these people when the meeting was about to end... [changes thought] They refused to set a date for the release of the 66 hostages, whom they admitted they are holding. We know they are holding more than 1,000 people hostage, but they claim to have only 66, whom they promised to release a long time ago but have failed to do so.

The Nicaraguan Government fulfilled its commitment by releasing 100 prisoners after signing the agreements, yet they have not fulfilled their promise. What Humberto told them was that nobody would leave the meeting, that risking the lives of the Nicaraguans meeting there was forbidden—it is easy for these people to risk the lives of others and not their own. Humberto told them that if they did not specify when they would release the prisoners, then they should face all the consequent risks, and that nobody would leave the meeting.

Bermudez, in light of the vehement demand announced by Humberto—who had to make that demand because of the commitment the contras had made but were not fulfilling—said that in 10 days they would release the 66 people held hostage. Of course, we doubt that these people will follow through with this, but we are obliged to demand that they do so. Also, we hope that the witnesses—in this case Cardinal Obando and Mr Baena Soares—will voice an opinion on this topic, because the contras promised before these witnesses to release those held hostage.

Therefore, the situation with regard to the peace process is now quite difficult. We continue to defend the Sapoa agreements; we do not renounce the Sapoa agreements. We will maintain the cease-fire until 30 June. When the 30th arrives, we will see if we will continue the cease-fire. We will, of course, defend ourselves from any attack launched by the counterrevolution. We maintain our willingness to continue to discuss the points that remain pending in the negotiating process. We demand that the counterrevolution release not only the 66 people held hostage, but also the more than 1,000 additional people they are holding. We demand that the Honduran Government stop allowing the use of its territory as a base of aggression against Nicaragua.

We demand that the U.S. Government and President Reagan bring an end to their criminal policy against our country and that they stop threatening to grant further financing and to step up the war against Nicaragua, because Nicaragua's position is the opposite of Reagan's and, therefore, of the contras' position. Our position is also the opposite of that of the extremists in the U.S. Congress, who are talking about new funds to continue the war against our country, against our people. They are saying that everything has failed because of Nicaragua and that, therefore, they have to give military funds again to the mercenary forces.

This is the picture and, in light of it, we have to keep our combat readiness at a maximum at all times. We have to keep our forces ready for defense at all times, because there is already talk in Honduras about plans between the Honduran Army and the United States, and plans between the Honduran Army and the contras, to launch a contra offensive against Nicaragua from Honduran territory. We know that there are contras who are unwilling to continue the war. We will continue our contacts with them and give them the opportunity to lay down their arms.

Therefore, this is the situation, comrades and workers who stand united this hot afternoon here at this production center. We hope that your production efforts will result in greater productivity, in greater output. We must also acknowledge your defensive efforts. We dedicate this day, this gathering, to the memory of the seven comrade workers of this center who sacrificed their lives for the defense of our country, of our sovereignty, of our independence. Free fatherland... [crowd shouts: "or death!"]

Tinoco on Talks, Aid

PA1106165488 Managua Domestic Service
in Spanish 1200 GMT 11 Jun 88

[Text] Nicaraguan Vice Foreign Minister Victor Hugo Tinoco has said there will be a setback in the Central American conflict if the contras continue receiving financial aid from the Reagan administration, and the situation will revert to that which existed before the Sapoa agreement was signed.

Nicaragua will continue its peace negotiations within the framework of the Sapoa agreement, Tinoco said, regarding the talks for a definitive cease-fire.

We will continue to negotiate with the mercenary resistance, Tinoco said in a statement to national and foreign journalists.

Calero Anticipates Failure

PA0906201588 San Jose Radio Impacto in Spanish
1830 GMT 9 Jun 88

[Telephone interview with Nicaraguan Resistance leader Adolfo Calero by unidentified reporter in Washington on 9 June—recorded]

[Text] [Calero] This morning I have talked for the last time with Azucena Ferrey, who told me the Sandinists have shown they are becoming entrenched in their, quote, democracy, unquote, plan, in their communist revolutionary process. Simply, there will be no agreement. The Sandinists have terminated the Sapoa agreement, which made it easier for them to implement step-by-step democratic reforms and release political prisoners. However, the Sandinists have not done this, and have instead gone backwards. I believe this will definitively be the last round of talks unless a miracle occurs. Very soon, we here in Washington will be openly conducting a campaign to seek military aid. In fact, I am analyzing this alternative in case the talks fail, as is anticipated.

[Reporter] [Words indistinct] that ends today?

[Calero] Definitively. Sapoa has practically come to an end. Therefore, all we have left is to search for military aid. A law is being proposed at the U.S. Senate that would institutionalize aid for all freedom fighters. This morning I am going to meet Senator Hollings, who will give me an in-depth explanation on this law. We will also discuss the possibilities of getting military aid for the Nicaraguan Democratic Resistance. A bipartisan group from the U.S. Senate and the House of Representatives has requested a meeting with President Reagan. The Reagan administration has not responded yet; however, we hope this meeting with President Reagan will soon be held. We hope that after this meeting the Reagan administration will present a request for aid.

Cesar, Bermudez Remarks

PA1006191388 Managua Radio Noticias in Spanish
1200 GMT 10 Jun 88

[News conference held by Nicaraguan Resistance (RN) leaders Alfredo Cesar and Enrique Bermudez with reporters "before leaving the country after the peace talks failed"; date and place not given—live or recorded; broadcast in progress]

[Text] [Speaker] ...there is no other planned meeting to negotiate. Today the RN reaffirms its profound determination to continue seeking solutions to the conflict of our fatherland through the civilized path of political negotiations.

[Reporter] You say that you will not start offensive military operations. Does this mean you accept the extension proposed by the government? Is there a written agreement on this regard?

[Speaker] There is no written agreement. Today the RN unilaterally maintains the positions in the communique I read.

[Olaciregui] Demetrio Olaciregui of Univision. At the end of the Univision newscast this afternoon, a RN spokesman called from Washington stating that military operations will be resumed tomorrow. What can the RN say about this?

[Speaker] That is false; it has no backing from any authority. The full authority of the RN is present here. Our decision and the position of the entire RN is contained in the communique we read today.

[Reporter] [Name indistinct] of London's THE GUARDIAN. What happened in negotiations this afternoon?

[Speaker] Two proposals were presented; two agendas were presented; and no agreement to sign a definitive cease-fire was reached.

[Reporter] [Name indistinct.] Will you request more military aid from the U.S. Congress?

[Speaker] Our communique is clear on this. If you wish, I will read that point again: The RN believes that the war that our people have been suffering for the past 7 years, which has stopped almost totally since 21 March, should not be resumed. The RN will not start offensive military operations.

[(Gober)] (David Gober de Perez Zeledon) of Radio Canada. Mr Cesar, I hope you can also answer in English. The proposal you presented this afternoon left 2 hours for negotiations. Moreover, this proposal appears to be a hardening of your position. Is that true? My second question is: What are your conditions to return to Managua to resume talks with the government?

[Cesar] We discussed no conditions. We simply reaffirmed our determination to continue seeking a solution to the country's conflict through the civilized path of political negotiation. The agenda we presented late this morning—which we left on record before witnesses—deals with the implementation of points contained in our overall proposal, which you know about. It was made public on 26 May when the RN presented it. There are no points left out from our proposal.

Obando on Break

PA1006172288 Paris AFP in Spanish 1623 GMT
10 Jun 88

[Text] Managua, 10 Jun (AFP)—The negotiations between the Nicaraguan Government and the contras that ended Thursday failed due to the distrust between the parties and because they have "very different concepts of democracy," said Cardinal Miguel Obando y Bravo, who witnessed the meeting.

The high-level negotiations between the Nicaraguan Resistance and the Sandinist government, which began on 21 March 1988 in the border town of Sapoa and later continued in Managua, were broken off at the end of the fifth round on Thursday, without agreeing on a date for another meeting.

"It is necessary to continue trying to create a climate of peace through the elimination of the language of hate and insults used by both sides," Obando y Bravo told a local radio station today.

The cardinal promised to do everything in his power to encourage the resumption of the dialogue between the rebels and the Sandinist government. He urged the people to not be discouraged and to pray for peace.

Obando Fears More Violence

PA1206232788 Panama City ACAN in Spanish
1835 GMT 12 Jun 88

[Text] Managua 12 Jun (ACAN-EFE)—Today Cardinal Miguel Obando y Bravo said that he was "very worried" that on 1 July, artillery will again thunder in the Nicaraguan mountains.

Obando y Bravo and Ambassador Joao Clemente Baena Soares served as witnesses during the negotiations between the government and the Nicaraguan Resistance, negotiations which ended in complete failure on 9 June in Managua.

"I hope that artillery fire will not thunder in the mountains or in our cities, because (during the last day of the talks) someone said that bullets would fly not only in the mountains, but that we are also going to fight each other with bullets in the cities," said the cardinal.

Obando y Bravo did not identify the person who said "fight each other with bullets in the cities" in the homily he delivered during Sunday mass.

"It would be terrible if we had to resolve our problems with bullets," said the archbishop of Managua and Nicaraguan Episcopal Conference president in a bitter tone of voice.

He added: "I know of no case in history where bullets resolved problems." He said: "Always after the shooting and the war have ended, after many have died and a river of blood has been shed, men have sat down at the negotiating table to find peace."

"It is unfortunate that peace is pursued only after many have died and a river of blood has been shed," said the cardinal.

He admitted that he came to believe that some conclusion would be reached at the fourth round of negotiations, but this did not happen, in great part because the participants "do not speak the same language."

He recalled that on the last day of the fourth round of negotiations, when the delegations submitted their schedules for the implementation of their demands, "everything became very difficult."

In spite of everything, the cardinal told the Nicaraguan people not to be discouraged, to keep hoping and praying "because God can play an important role in all this."

The bishop prayed that the government and the armed resistance will "speak a language of peace to achieve peace and reconciliation."

The Nicaraguan Government has unilaterally extended the temporary cease-fire until 30 June, and the armed resistance has said that it "will not initiate offensive actions, but will defend itself if its fighters are attacked by the Sandinists."

Cardinal Obando y Bravo and Baena Soares are also part of the Verification Commission created by the 23 March 1988 Sapoa agreements.

The Nicaraguan Government said that it believes that this commission remains in effect; the RN said that it will ask Orlando y Bravo and Baena Soares for their account of the rebel leadership's actions during the unsuccessful negotiations.

Panama

Solis on Crisis, Measures, Role of Politicians
PA1006194588 Panama City Domestic Service
in Spanish 1747 GMT 10 Jun 88

[Speech by Manuel Solis Palma, minister in charge of the Presidency, at the Victoriano Lorenzo Student Center in Penonome, Cocle Province—live]

[Excerpts] Good afternoon, cabinet members; honorable legislators; Yolanda Pulice de Rodriguez, magistrate and president of the Electoral Tribunal; Ana Villa de Flores, director general of the National Lottery; Cocle Province Governor Dario Fernandez; Captain Osvaldo Galvez, executive officer of the 6th Military Zone of Cocle; honorable city mayors; honorable corregimiento representatives; honorable members of the technical board; Honorable Representative Laurino Vergara, president of the Provincial Coordination Council; Dr Julia Tello, provincial education director; honorable members of the community boards; Honorable Miguel Grimaldo, representative of the producers; Honorable Aurelio Andrian Alabarcia, representative of the Confederation of Peasant Settlements; Carlos Ramos, representative of the Cocle Teachers' Front; Honorable Teodoro Ramos, representative of the Cocle Workers Trade Union Federation; Honorable Jose Escobar, secretary general of the Rural Transportation Workers Federation; Jorge Munoz, representative of the students of the province; special guests; ladies and gentlemen:

The work presented by the governor of the province, the technical board, and other officials from this province truly honors the public employees from this province. I believe this is great work, an excellent evaluation of the situation and of the province's problems. At the same time, it presents the aspects that must be tackled, their priorities, the institutions that should undertake it, and a series of proposals that is precisely what we are trying to do with this domestic patrolling, as we call it.

We are studying the work presented by Olmedo Dominguez, our longtime friend, and we are going to evaluate it as it deserves—just as we are going to do with the work you presented here. My participation in the provincial council late in January of this year served so as minister of education, I could frankly explain to you the difficult situation the country was experiencing and the need for finding a solution to the problems with our own resources—because we were not going to have the money or the necessary resources to cope with the just demands for education of the Panamanian community in general. [passage omitted]

We had to face the situation with what we had on hand. We had to survive even though our jugular vein had been cut, and we had to show the world we were capable of surviving even under these conditions. We have made it. Legislator Pardo talked about a 48-hour term, but we have survived with the noose around our necks for 106 days so far, with tremendous dignity and showing the world what the Panamanian people represent.

How have we been able to survive despite the radical reduction in revenues? With the help of the decentralized sector? Yes, partly. However, the decentralized sector has also experienced a serious reduction in its income, and that sector also has financial problems.

Some sectors are still contributing, but not as much as expected. The National Lottery, which continues to provide the state, the government with funds for its daily work and needs, is not contributing the \$45 million per year it used to contribute. Its revenues are far below that amount, and I am not sure its income will surpass \$24 or \$25 million unless radical changes take place, despite the great efforts made by its director throughout the country.

It must be clear that during the first days of March, the percentage of returned lottery tickets—which normally was between 6 and 8 percent—climbed to 64 percent. The money received was not even enough to pay the prizes. Had all the prizes been won, the National Lottery would have lost money. The percentage of returned tickets has dropped, however, from its previous high levels to around 40-41 percent, compared to 6-8 percent, which was the normal level. There has been a recovery, but not as much of a recovery as is necessary. [passage omitted]

When we had absolutely no funds—the bank had ran out of funds and the government was not receiving any income—the commercial sector closed in an attempt to overthrow the government. The banks closed because they had no cash and also because they wanted to topple the government. The banks and businesses were closed. How could we pay the salaries? We spent entire days and nights seeking solutions to the problem. A group headed by former Minister Darisnel Sucre came out with the idea of the food bags. When the first bags were delivered, they were almost thrown back at us, because no one wanted them. However, that was before hunger set in. Three days later, when the situation began to worsen and supermarkets remained closed, the food bags were the salvation and everybody wanted one. By then we did not have enough hands to prepare the food bags, which were great because they contained enough food for a medium-size family for 10-15 days and they were sold for \$10-15. They were great, budget-priced, and good. [applause]

In this way, we began to resolve the problem of public employees, but we had to pay them something. So, we began to collect some funds, in a manner that some U.S.-educated economists viewed as somewhat silly. It was realistic, though. We decided to call the 42 government institutions, 30 of which produce income. We

asked [National Lottery Director] Ana Villa: How much cash do you have? She replied: Oh, no, my lottery. We said: Forget it; how much cash do you have? She said: I have \$300,000. We told her: Deposit that sum, right away. Then we asked another institution the same question: How much cash do you have? The reply was \$90.00, so we asked that those funds be deposited too. Another one had \$500,000 and we issued the same instructions. In that way we collected more than \$3 million. We put together deposits from here and there. Someone else would say: My funds are from my sugar harvest; I do not know what to do. We would tell him: Forget your harvest. We must save the country right now. Bring your money. Either you do so right away, or you leave. [applause]

In that way, day after day, and night after night, adding numbers here and there, we begged for money to see how we could raise the \$5-6 million we needed in order to pay \$75 in cash to each employee and to give them the balance in the form of a check.

However, that only covered the first 2 weeks of the month. First we talked about \$100, but we could not pay \$100 and reduced it to \$75. The following payday we did not even have enough to pay \$75, \$50, \$20, or anything. We only had checks. By then, someone had come up with the idea of dividing checks. There was some resistance, because more paper would be required to make the additional checks, because we would run out of paper, and each check would cost 4 cents. There were multiple problems. The health minister announced that he had made arrangements to obtain the paper for the checks from France and that it was on its way. [passage omitted]

The Panamanian people's resistance and patriotic acceptance of the situation led us to conquer the crisis. The crisis is not over for us yet, but we are doing better and enjoy great international prestige.

All countries, including friendly ones, recalled their ambassadors for consultations. It was not that they had broken relations with the Panamanian Government. They recalled their ambassadors for consultations, long consultations. Those who remained said they were maintaining a low profile. They could not come to the surface because they had received orders: Stay in Panama, you are a friend of the Panamanian Government, but do not allow others to see that you are their friend, they were told. That was the situation.

When we wanted to call a SELA meeting, we needed 14 votes to approve convening the session, which was very important because it would mean the support of Latin American countries for Panama. It would have been the first international show of support we could receive. For 3 days we tried to convene a session, but we only had five votes, including ours. So on that day I addressed this country and other countries. Some criticized the fact that I did not talk about domestic issues. I addressed myself to other countries because we only had 3 more days left

to convene SELA. Were we unable to convene SELA, it would have been a complete international defeat for Panama. The following day we had three more votes and then three more. Finally we had 11 votes, but we only had 1 more day to go. The deadline was midnight Wednesday. If we did not have the 14 votes, SELA would not be convened. When the deadline was reached, however, we had 19 votes. SELA was convened with representatives from 23 countries, and they gave the first unanimous support to Panama. [passage omitted]

Some cash became available to us when the banks reopened. I forgot to tell you that at this time, the money normally subtracted from workers' paychecks to pay debts had not been delivered to furniture store owners, financial institutions, or to other people who should have gotten their money. We could not make those payments. We were paying just the net salary to public workers. We also had to continue paying retirees. We could not pay 7 million every two weeks. It was not possible. We did not want to suspend their payments because the situation within this sector was not under control. There was no expression of nationalism in that sector.

Nevertheless, we learned something that will be useful for analyzing the meaning of the situation in this country, which has been clearly reported here by the Peasant Settlements [Asentamiento Campesino] leader. Reviewing the Social Security Fund [CSS] payroll, we determined that by paying 75 balboas to each retiree—out of the 60,700 retirees—we could give 75 balboas every pay period to 42,000. The remaining... [changes thought] This represented 3 million balboas every pay period. That is, 43,000 retirees receive 3 million, and the remaining 17,000, almost 18,000, retirees receive 4 million. As a result, there are many people who receive too much and many who receive too little. The first time we decided to pay 75 balboas to as many people as possible and to leave the rest with nothing. Subsequently, there were some changes at the CSS, and they decided to pay 50 balboas to everyone, which means 2.2 million. Nevertheless, we have been able to collect the 2.6 million in cash to pay government-sector retirees, who represent another 500,000, in addition to payments we have had to make to retirees from other institutions, which represent 1.3 million. We have been paying them and will continue paying them in a regular manner but with great difficulty. On many occasions we have had to postpone the payment dates.

During the last pay period we were able to pay the 4.4 million, which is what we have been paying in cash, on time. We already have sufficient money for the upcoming pay period. We have already paid 50 balboas to retirees at the national level, and we can pay government retirees with no delays. We can pay 1.3 million to other institutions, and we will still have some reserve funds. We expect to have more reserve funds because we anticipate that [words indistinct]. Then we will also start printing some checks with [government] stamps on them in order to give all public workers at least 25, 30, 40, or 50 balboas.

When we reach that moment—which I do not believe is in the immediate future—we will do better. We are improving some of our government work. That is not enough to help us resolve this difficult situation. We cannot cover all expenses. We cannot unfreeze accounts. We must analyze, little by little, what accounts can be used. That is why the requests by the municipalities are not that simple, because we do not have the means for answering those problems. The moment we are able to do so, we will give the answer. That is why many projects are at a standstill. At the same time, however, we have begun a process whereby other countries are showing a true interest in helping Panama.

Some 10 million that was allotted late last year, or around the middle of last year, was frozen, and nothing more was said. Yesterday, an agreement was signed for the 10 million to be used for building housing in Panama. That country, Taiwan, signed a 10-million agreement for low-cost housing to be built through the Caja de Ahorros Bank. There is another offer of 40 million for construction in Panama. The SELA member states helped us and allowed us to resolve the problem of the materials we need for the first rice harvest. We are gradually receiving assistance from all countries. There is a medical assistance plan that has not begun yet. It has been planned and will begin soon.

Ecuador has just reported that a representative of the president will arrive next week to discuss assistance. It could probably have to do with petroleum or dollars or anything else for also helping Panama through loans. The scene is beginning to change.

Panama's international image has grown; we are respected. I was told that some country's representative told a minister during a meeting last night that the United States was like a person riding a tiger, and now it did not know how to get off the tiger, because if it got off, the tiger would eat it. [laughter, applause] [passage omitted]

The political parties have not been active during the crisis. They have been paralyzed. Politicians should be active at all times, especially when there is a problem that threatens us and affects the Panamanian nation itself. We cannot avoid this problem.

It is not possible for the political parties to remain inactive. I refer to our parties. The other parties bang pots and pans and wave handkerchiefs. We are the ones doing nothing as parties. Of course, we have also faced serious institutional problems. The crisis has created a new mentality, however.

We have acquired an enormous responsibility; we are forced to work efficiently, responsibly, and honestly to give ourselves entirely to the country. We are achieving this. We can call a minister at 1900 and still find him in his office. Some are still leaving at 1600, but others are already [words indistinct]. [laughter]

They are now finding ways to do things; they are no longer asking for resources to do things, but they now know they can do things without asking, because many things can be done. If you have cement, a shovel, and a pick—there is even a party that has a lot of these things [referring to symbols of Labor Party] [laughter]—it is easy to fill holes with manpower and without using machines. Some will say: We are moving backwards. No, we are always moving forward, because every time we fill a hole we are moving forward; we move backwards when we do not. Otherwise, we expect a machine to do the work; one or four men watch while one drives the machine. We do not want this. [applause] We do not want this.

We are making progress in this sense. We are working with our nails, but we are working, which is what matters. We will have all the tractors and equipment working again later. We must work at this moment. We have been successful at making people realize—not fully yet—that no one is an island. An institution cannot have an idle resource and not lend it to another one that needs it. No sir, there is only one institution, which is the Panamanian state, the national government, and everyone has to help others to resolve problems.

One must not have surplus cement while the Public Works Ministry or the MIVI [Housing Ministry] are idle because they lack cement. One must not have surplus lumber and not do something with it because it belongs to a specific institution. No, no, no. Everything is at everybody's service, and no one can reserve his funds to resolve his own problem while others need them to resolve the state's problems. This is the new, different concept we must focus on.

We must therefore coordinate our actions. We must make joint decisions to make the overall government a single unit of work. We must conceive the government as a promoter of actions, not as the one that must resolve the daily problems of the unemployed. On the contrary, we must try to find jobs for them.

I want to stress that we have been very clear when we talk of ending sinecures. It has already been made clear. If we have to do away with top-paying sinecures, let us do away with them. We totally agree with that. The ministers and directors of autonomous institutions were instructed to begin at the top, not at the bottom. This is very clear. The problem is not to reduce the number of employees; it is to halt the amount of expenditures. If an employee earning \$3,000 is equal to 10 employees earning \$300 each, then one person out in the street is not as bad as ten. Besides, the one earning \$3,000 generally gets some income somewhere else. [passage omitted]

We must retrain our personnel. IRHE [Institute of Hydraulic Resources and Electricity] has too many engineers. The problem at IRHE is that every time engineers are hired to

work on a specific project, they are subsequently retained by IRHE to work in its offices once the project is completed. As a result, the number of engineers at IRHE grows, and they have no projects to work on.

The National Sports Institute director told us yesterday that he has 630 manual workers to repair stadiums but that not one stadium has been repaired in the last year, and 630 employees remain. Of those 630 workers, 200 are administrative workers, who are supposed to supervise the work of the remaining 400 workers. [laughter] That is not possible, not possible. There are too many low-level employees. We are not asking that poor people be dismissed. We are asking that those workers be relocated. We want those people to work repairing schools or to be transferred to other institutions. For example, they could work in the Public Works Ministry repairing potholes. Repairs at stadiums must be done by the Public Works Ministry, because according to our laws, that ministry must provide the repair and maintenance of public buildings. [applause] That is the duty of that ministry.

All this must be changed. A total change is necessary. I told the public works minister that we cannot do too many things, but we told him that to take the mud off our sidewalks, we only need a man with a willingness to do it and the equipment. Let us at least keep our sidewalks clean. Let us get rid of the mud. Let us clean those city creeks to avoid floods. [passage omitted]

As long as we have human resources, a hammer, and a nail, something can be done. That is all people need in the interior to build a house. They have never asked for more.

We would have to go back to primitive methods, but we should start doing it without stopping. That is the basic problem. The change of mentality and the end of our idleness is the problem. One of our current responsibilities is to employ our people.

Why must we make this sacrifice? What is this attack on Panama about? These are topics I have been wanting to discuss for a long time, and I will do that here for the first time.

Local seditious people, those who wish to attain power without working for it, those who seek another country's help to attain power, this country's turncoats, claim that this government must be changed, because Panamanian democracy must improve. They want a democratic government. How do they define a democratic government?

It is very worrisome to me to see how incapable we are of defending ourselves and to describe the situation as it really is. They insult us and we remain silent. They insult us at the National Assembly, in the streets, through newspapers, etc., and we do not respond. We have all the weapons in our hands. As our grandmothers used to say: We have plenty of weapons and are scared to death. That is our current situation. The ministries are filled with

public relations employees. All Panamanian newsmen work in the ministries' public relations offices, but they do not defend us. No one says anything.

I want us to discuss whether we have democracy or not. Our democracy is not perfect. Of course not. Political democracy has its defects, of course. The last presidential elections were not perfect, and the ones that preceded it were not perfect either. [laughter]

They have never been perfect. Votes have been bought and voting list changes have been made in the past. This went unnoticed because it was done with finesse. They were infamous, skillful swindlers. Perfection in this area does not exist, and it is not the Electoral Tribunal's fault because elections are part of a country's political culture. We could come up with the best electoral tribunal in the world, but as long as there is no political culture, there is no way you can speak of a totally clean process. We can have a responsible, honest, and acceptable process within our own reality; however, buying votes, bribing, and promising jobs is part of a very underdeveloped democracy.

U.S. democracy has not always been the way it is now. Until recently, gangsters dominated elections in Chicago and elsewhere in the United States. They worked voting polls and bribed people to get more votes for an influential candidate. A thousand things were done under the guise of democracy, but it was all false. Democracy in the United States is not pure, but that is their democracy. They arrange their democracy in their own way. [passage omitted]

There has been mainly a lack of foresight and courage to face the Panamanian problem. Most levels of our society still believe—not so much in the interior provinces of Panama as they have always had a more authentic, grass roots position—that the solution to our problems has to be found with the United States because Panama cannot be saved otherwise. This is not true.

The United States is no longer the center of the world's economic power. It is losing its power. And we continue to react to the United States like the man who used to like a singer when the singer was young because he sang well, but when he hears the singer again after 70 years have passed, he still says that the singer sings well. No, he no longer sings well. [laughter] The same thing has happened to the United States. The United States used to be the world's center but is no longer in that position. We now have Japan, Europe with the European Common Market; Asia continues to advance; Taiwan has more than \$7 billion and does not know what to do with all that money. All these are world economic centers, and we have to seek relations with these countries and show them that we are a country that needs loans and that can overcome its present situation. Relations of this kind require time and, unfortunately, cannot be developed in one day. Because other economic centers exist, I say that our crisis is a temporary one, that we have started to overcome it, and that we will live with dignity and courage. [passage omitted]

We have been told that people cannot withstand new taxes. Poor people, humble people are the ones who cannot withstand another tax increase, and they are the ones for whom some taxes should be eliminated. Indirect taxes are the ones that truly affect the poor. The poor and the rich pay the same tax when they buy a pound of rice. I am not referring to that tax. However, when you levy a tax on those who are on top, when you tax them directly, you are not creating a problem for the poor classes; you are seeking resources for the state in order to govern.

Some people will say: Why give the government more money so they can steal it. This is an image problem that the government has to correct. Refraining from stealing is not enough. We must show that we are not stealing. We have to be very clear about this matter. Each government official must show his work to the country and must be very clear about how he is doing it. I have asked the Social Security director to report the irregularities that she finds in the Social Security system. I want her to report them publicly, not privately. The day somebody discovers an irregularity that she may have committed, it will be made public and will not be kept secret. I want her to report publicly all the irregularities she is presently finding. I want them to be reported in a news conference so that people see that we are behaving seriously and responsibly.

We must regain our public credibility, and this will happen when we take action. This is done by ending sinecures and by taking action against those who attack the Panamanian state and against the smugglers. I am not talking about someone who smuggles in a bottle of wine. No, no, no; I am talking about those who smuggle millions in merchandise from the Free Zone or abroad. It is against them we need to take action. Once the Panamanian Government starts to take serious action, then we will have credibility; then we can charge taxes, because no one will steal them. These taxes, however, will be assessed against those who can afford to pay them.

We need an overall change in the concept of the Panamanian Government. We cannot afford one teacher too many, one doctor too many, or one official too many. If we do have too many, then we must find them work. There are still many things to be done, but they are not done because we cannot find the right person to do the job. We need a complete review of the government. You may ask: Why is this not done? Because I am not Superman. Although I have the backing of my ministers, they still need more time. I do not know how many hours more, but we still need to give a little more to the Panamanian people, to you, to whom I have always spoken frankly. I listen to your criticism without becoming annoyed, because I do not consider this criticism as a personal attack. Instead, I see your criticism as your own interest in ensuring the country's welfare.

Gentlemen, I believe the time has come either to be Panamanians or not to be; to be with our country, come what may. In making this decision, you should judge

those of us who may not know how to respond in these times of national crisis to the deep needs of the Panamanian people and of our country as a free, sovereign, and independent nation. Thank you. [applause]

Envoy to UN Responds To U.S. Delegate
PA1006204388 Panama City Domestic Service
in Spanish 1200 GMT 10 Jun 88

[Excerpt] [Passage omitted] Replying to Foreign Minister [Jorge] Ritter, U.S. delegate Max Friedersdorf said Panama has tried to confuse the UN General Assembly delegates with unnecessary and inexact attacks against the United States. He added that the statement by General Noriega's representative will not lead to peace and disarmament in Panama or in any other place. He stressed that the United States will comply with its commitments in the Panama Canal treaties.

Following the reply to Panamanian Foreign Minister Jorge Ritter by U.S. delegate Max Friedersdorf, Leonardo Kam, Panamanian ambassador to the United Nations, countered the U.S. delegate's statement in the following terms:

[Begin Kam recording] We are very surprised at the high level of cynicism shown by the U.S. delegation, Mr President.

Mr President, the U.S. delegate's statement that we are trying to create confusion during this period of sessions will not change reality. The entire world, the international community, has witnessed with indignation the aggression that the U.S. Government has unleashed against my country, an economic, political, and diplomatic aggression. We are also facing a military aggression; perhaps this aggression does not fully correspond to the definition of the word aggression as it has been adopted by this assembly. However, Mr President, the 3,000-plus intimidatory troops that have been sent to Panama, exceeding the terms of the Panama Canal treaties, represents a threat of use of force against Panama, a threat that I protest. The U.S. delegate cannot limit the concept we have of disarmament and security, Mr President.

Mr President, the U.S. delegate has said we have made inexact and unnecessary statements. Mr President, the protest filed here today may be regarded as unnecessary by the United States; however, for the 2 million Panamanians who are suffering the consequences of U.S. meddling in our domestic affairs, who are suffering the consequences of U.S. aggression, for them, Mr President, it is inevitable and necessary that we tell the world here that we are, I repeat, being attacked by the world's most powerful military force. For us, this is not unnecessary but indispensable, Mr President. Mr President, the U.S. delegate has said we have made political accusations. Mr President, you and all the delegates know better than I that during the debates on disarmament there were no obstacles and no one ever objected to something being political or not on the subject of disarmament.

Mr President, those who believe they can monopolize the truth are the ones who are trying to limit the peoples' right to speak out on all the subjects that affect them. Mr President, we will always exert our right to defend our national dignity, independence, and sovereignty, opposing anyone who wants to deprive us of that right.

Certainly, Mr President, for a long period the Panamanian people have enjoyed friendship and a constructive working relationship with the United States. The Panamanian Government and people are willing to continue in that course. However, if that course has been altered, I can assure you, Mr President, that my people and government are not responsible for that situation, which is a result of the awkwardness, nearsightedness, and aggressiveness that characterizes U.S. policy toward Panama.

Mr President, I categorically reject and condemn the statement made by the U.S. representative that the United States intends to work toward restoring civil democracy in Panama. Mr President, we do not need the United States or any other country to tell us how to build our democracy. That is a task that Panamanians will carry through, that we will accomplish based on our own decisions, sovereignty, and on our people's will.

Thank you, Mr President. I reserve the right to speak again if necessary in accordance with the regulations.
[end recording]

U.S. Visa Restrictions 'Laughable Threat'

PA1106161288 Panama City *CRITICA* in Spanish
11 Jun 88 p 1

[Unattributed article: "Let Them Keep Their Visas"]

[Text] Ronald Reagan's latest threat against Panama is that the United States will no longer issue visas to those Panamanians who support General Manuel Antonio Noriega.

ERSA [Renovacion Publishing Company, Inc; government controlled newspaper company] is more than pleased with the new measure taken by the decrepit U.S. President, because at this hour of the defense of our dignity and sovereignty the place for Panamanians is here in the homeland, and we have never thought of requesting their "precious" visas.

This laughable threat, evidently devised by the U.S. State Department, is further proof of U.S. arrogance and its deep contempt of the universal laws that regulate relations among sovereign states.

Prominent Latin American observers and diplomats in Washington were amazed at the unusual measure and questioned the possibility of implementing such an absurd order. Although they chose to remain unidentified, the diplomats and observers said that with this measure the Reagan administration once again shows its diplomatic

incapacity and its disrespect for Latin America in general, because that threat against Panamanians is a flagrant coercion that we will not tolerate and will never accept.

The newsmen of ERSa tell Ronald Reagan and his government of cavemen that we will struggle until the end and that we will die next to Gen Manuel Antonio Noriega, the commander of dignity and sovereignty. We tell them that we will never take a step backward. Citing Panamanian bard Gaspar Octavio Hernandez, we cry out with Panamanian fervor: "If blind fate puts cowardice into the Isthmian people, descend on the Isthmus as fire and destroy with feverish unrest those who loved your splendor one day."

Paper Comments

PA1306002488 Panama City *LA REPUBLICA DOMINICAL* in Spanish 12 Jun 88, p 4-A

[Editorial: "Another Infamous Aggression"]

[Text] On Friday Ronald Reagan, the cowboy president, announced that friends and followers of General Manuel Antonio Noriega and President Solis Palma are forbidden to enter the United States.

This gentleman thinks that Panama is a fief [feudo] of his government and that he can issue whatever instructions he wishes until he succeeds in bending the Panamanian people and making them bow down and lick his boots like domesticated cats that caress the hand that beats them.

However, this sanction does not worry us. We are a worthy people who are suffering the worst aggression that this former Hollywood actor has ever imposed on us. We are withstanding our privations with dignity. We have reported at every international forum the infamy of these sanctions, which are not unlike the U.S.-backed segregation measures in South Africa.

This is why we were pleased by the courageous, determined position adopted by Leonardo Kam, Panamanian ambassador to the United Nations. Kam angrily repudiated the U.S. ambassador's evasive remarks implying that there were no sanctions against Panama. Nevertheless, the entire world has learned that a powerful nation is cowardly trying to humiliate us solely because we have not bowed down our heads before the whip of the arrogant Yankees.

We have said it before. Let them keep their visas. We Panamanians can travel in anywhere without U.S. permission. Tons of cocaine to quench the thirst of U.S. consumers and line the drug traffickers' pockets will surely come from other countries, regardless of any measures to check this traffic, because the drug trafficking trade is so lucrative that every effort is made to cheat authorities, many of whom are bribed.

The Panamanian people are and have always been friends of the U.S. people. The Panamanian people have learned about distinguished U.S. citizens and also about

the abuses perpetrated against Indians and blacks. We have lauded those who have tried to establish justice in view of the abuses of others.

But let Shultz and company decide who can or cannot enter the United States.

We will stay quietly in our homeland.

What Reagan does not want to hear, however, is that this measure will harm travel agencies, airlines, and U.S. trade with this country.

Tours will now head for Mexico, Colombia, Venezuela, Peru, other countries in the hemisphere, and paradise-like Europe.

We will continue to stand and fight with the banner of dignity held high above our heads, stoically suffering the penury that the commercial and economic embargo imposes on us, yet resourcefully and intelligently surviving this infamous onslaught, which reminds us of the barbarian times of the past.

Our people are poor and simple, but they have a great sense of honor and patriotism. Our people, who have made a commitment to follow the steps of Panama's great men, will not fear sanctions such as this one, which is only one of the many that have been taken against us.

'Polite Suspension' From Group of 8 Continues
PA1206215688 Madrid EFE in Spanish 1535 GMT
12 Jun 88

[Excerpt] [No dateline as received] Today it was officially reported in Montevideo that Panama's "polite suspension" from the Group of Eight will be extended to the presidents' meeting scheduled for October in Uruguay.

During a news conference following his return from the UN disarmament conference, Uruguayan Foreign Minister Luis Barrios Tassano said that Panama's exclusion from the Group of Eight will continue until "institutional changes are made [in Panama]."

The Uruguayan diplomatic spokesman recalled that Panama "was politely suspended from the group because of its institutional complications," adding that the situation will persist "until changes are made" that would dispel current reservations.

Barrios Tassano asserted that democracy is a statutory condition for inclusion within the Group of Eight.

He added that "every time there is a disruption in the democratic process, conditions for a suspension in membership are created." [passage omitted]

Noriega Visits Antiterror Unit Headquarters
PA1206213988 Panama City Television Service
in Spanish 1530 GMT 12 Jun 88

[From the weekly Panama Defense Forces program "Everything for the Fatherland"]

[Text] General Manuel Antonio Noriega, Panama Defense Forces commander in chief, visited the UESAT [Special Antiterror Service Unit] headquarters to inspect its facilities, equipment, and personnel. Captain Ramon Diaz accompanied Gen Noriega during his tour through the various UESAT components.

UESAT is an elite, military unit primarily established and designed to fight various forms of terrorism. It also provides security services for Gen Noriega and members of his General Staff. UESAT's ability to take immediate action and its efficiency under the most dangerous and serious conditions place this highly specialized unit among the military's best.

Plan To Dismiss Government Workers Viewed

Minister Denies 'Rumors'
PA1206013888 Panama City Televisora Nacional
in Spanish 2300 GMT 11 Jun 88

[Text] Today Panamanian Planning Minister Gustavo Gonzalez reiterated the government's policy toward the public sector. Minister Gonzalez also dispelled certain doubts regarding this policy by saying:

[Begin Gonzalez recording] The first thing we must do is pinpoint the root of the rumors we are hearing. The state's income has dropped as a result of the aggression we are experiencing. The constant foreign aggression against our banking system and fiscal situation has resulted in a considerable drop in the country's income. This income covers state expenses. Therefore, these expenses must be adjusted, as much as possible, to our income. The state is now looking for ways to resolve its budget problem.

However, we are not looking for a mechanical or mathematical balance. We are trying to find a way to decrease public sector operating costs beginning with certain groups, as is the case of the sinecures and other officials who do not work and who represent a threat to those officials who do work. We must also cut down on other expenses; we have to cut down on the amount of fuel being used, trips taken, and any other expenses that do not represent state priorities. The state is also actively exploring additional income sources that would help resolve the problem.

We are not implementing a process of indiscriminate firing. Likewise, we must stress that the various measures adopted have been discussed with representatives of the various government employee unions. We have explained that these measures are aimed at reducing

government expenses. I repeat: We are not talking about an indiscriminate firing of government employees. This would be an irresponsible move within an economy that is experiencing problems. The private sector's ability to employ more people has been greatly curtailed. The government cannot afford to make this situation worse, because it is the state's responsibility to resolve that social problem. [end recording]

Officials on Unemployment

PA1306035888 Panama City Televisora Nacional
in Spanish 0145 GMT 13 Jun 88

["Roundtable" discussion with moderator Luis H. Martinez and General Labor Director Jose Felix Castillo Chavez and General Labor Inspector Jose Vasquez of the Labor Ministry on the "7th Day" program—live]

[Excerpts] [Martinez] This week our roundtable will discuss unemployment. The Finance and Treasury Ministry's dismissal of 52 officials and a report issued by the Planning and Economic Policy Ministry citing dramatic figures and noting that the unemployment problem may affect approximately 100,000 Panamanians in June compels us to bring this topic to today's debate forum. [passage omitted]

[Castillo] Thank you, Mr Martinez, for the opportunity to be here this evening. We want to share our everyday experiences at the Labor Ministry as we search for solutions to the unemployment problem. It is a problem that has worsened as a result of the economic measures imposed by the U.S. Government on this small country, which only has an economically active population of 770,000 people. A total of 681,000 of these people have jobs and approximately 140,000 are unemployed. [figures as heard]

[Martinez] What is the percentage of unemployed?

[Castillo] It is 16.8 percent.

[Martinez] Then, the unemployment figure right now is 16.8 percent?

[Castillo] Yes, sir.

[Martinez] But, according to reports, this figure will increase in June.

[Castillo] That is correct. There are 156,000 people working in the public sector and 270,000 people working for the private sector. The private sector is the hardest hit by the measures imposed on the Republic of Panama. Therefore, we see that through mutual agreements, dismissals, and resignations—many of these resignations suggested by the firms' management—13,711 people have been affected in these first 3 months. If we continue to increase the number of unemployed each month, it will lead to a dangerous situation that could result in a violent attitude among Panamanians.

Therefore, we urge those businesses that are taking advantage of this situation to dismiss workers with 10, 15, and 20 years of service... [changes thought] There are worrisome situations. Certain labor leaders, for example, do not want to negotiate to resolve problems or to share in the sacrifices that must be made to confront, or rather to avoid the achievement of the goal sought with the [U.S.] economic measures. [passage omitted]

We also want to issue an appeal to our government, because this situation of intransigence on the part of workers on the one side and businesses on the other is damaging our economy. Of course, sooner or later we will have to have dismissals in the public sector, as has already been announced. [passage omitted]

We think that an effort must be made by each of the three sectors: the business sector, the labor sector, and the public sector. They must all share in sacrifices that are becoming increasingly necessary to face the crisis imposed on us by the U.S. Government.

[Martinez] Mr Castillo, labor leader Eduardo Rios has charged that the CAPAC, the Panamanian Chamber of Construction, has already reported an 80-percent unemployment figure in that sector. Do you have any reports on that?

[Castillo] Sure. What happened is that the construction sector is the most affected by the U.S.-imposed economic measures, because, with the closing of banks, there is no financing for construction in Panama. Therefore, that sector is at a complete standstill. [passage omitted]

[Vasquez] The clear explanation given by the general labor director gives us an insight into the alarming and critical situation of our economy and our unemployment. March, April, and May have shown alarming figures for direct dismissals by private enterprises. There are also alarming figures for dismissals by mutual agreement signed by the two parties. [passage omitted]

[Martinez] Resignations and dismissals affect more than 13,000?

[Vasquez] The figure is approximately 13,711. This must be viewed from two standpoints. There are ways to terminate an employee. One is by firing an employee, a unilateral measure taken by an enterprise. Another is through a mutual agreement by which the enterprise dismisses the employee discreetly by a mutual agreement. [passage omitted]

Another way to terminate employees is through resignations. This is what is happening to a greater extent in the four [as heard] main sectors: commerce, service, industry, finance, and agriculture. The Labor Ministry is reviewing these resignations. [passage omitted]

[Martinez] Salaries must be reduced, and, to reduce salaries, we must include the president, his ministers, officials, the advisers, and all those who earn at least \$1,000 per month. Therefore, this must apply to legislators. There are other factors too, like people who have two and three jobs or others who have the jobs and who do not work—the famous sinecures. There is talk of putting an end to sinecures, but they are still there. So the time is ripe for action. We cannot use the threat of unemployment on a country that is already making great sacrifices and experiencing complete uncertainty. [passage omitted]

Union Leaders Comment

PA1006142688 Panama City LA ESTRELLA DE PANAMA in Spanish 10 Jun 88 p A-1

[Article by James Aparicio]

[Text] Yesterday Hector Aleman, secretary general of the National Federation of Public Employees (FENASEP), told LA ESTRELLA DE PANAMA that there is a government plan to reduce the state payroll by 28,000 officials.

"The payroll will be reduced, not by firing those who do a good job, but by firing those who hold sinecures," was the answer Aleman gave when referring to the 47 employees of the Finance Ministry who were reinstated yesterday in their jobs.

Aleman said that "actions and not words" are necessary, and he insisted that Finance Minister Orville Goodin admitted the dismissals "were not handled correctly."

Meanwhile, FENASEP Publicity Secretary Saul Quiroz warned that "the people are rejecting" the dismissals, and he explained "there have not been dismissals of those holding sinecures with the government."

He declared as "invalid" the dismissals in the National Sports Institute and in the Institute of Hydraulic Resources and Electrification.

Quiroz added that "there is a determination to fight," pointing out that "we will hold in reserve this type of measure." He added that they do not rule out a strike by the 140,000 public employees.

CRITICA Praises Policy

PA1106123088 Panama City CRITICA in Spanish 10 Jun 88 p 4

[Editorial: "Wise Rectification"]

[Text] A sound and effective government administration cannot afford to keep unproductive employees on the payroll because of the threat they pose to the state's efficiency. Even less can the state afford to pay salaries to people who provide no services to the government.

Nor can the state unthinkingly allow employees with a grudge against the government to jeopardize the institutions that pay their salaries, or to take part—blatantly or covertly—in seditious activities, since it would risk undermining the morale of those employees who show responsibility and dedication.

These principles become especially relevant in the present circumstances, in which the state's financial constraints call for the officials in charge of public affairs—headed by his excellency, the president of the Republic—to assume the great and very urgent responsibility of making the adjustments the situation requires.

It is within this frame of reference that President Manuel Solis Palma has announced an employment policy directed toward cleansing the government administration and has issued the appropriate instructions to government officials for this policy to be implemented.

Neither so-called "dead weights" or sinecures nor people who conspire against Panama's constitutional government have a place in the purposeful and productive government sought by the current head of state and the distinguished group of patriots who are accompanying him in such a historic undertaking.

The various sectors of society that on other occasions have criticized the abhorrent practice of "feather-bedding," low productivity, and excessive bureaucracy in government administration are duty bound to support the program devised by the current president and his team of government advisers.

Only political demagogues, who cannot understand patriotism, responsibility, or seriousness in the affairs of state, could possibly be opposed to this sound policy. But, as in the past, these demagogues will fail in their effort to undermine constitutional order and will again meet with the rejection and repudiation of the nation's socially conscious and loyal sectors. So be it!

'Cleaning Up' Defended

PA1206133288 Panama City Domestic Service in Spanish 1645 GMT 11 Jun 88

[Station commentary]

[Text] Some ministries and autonomous offices have started carrying out the presidential instructions aimed at cleaning up the public administration. Sometimes this causes incidents that should be closely examined to guarantee fairness in accordance with President Solis Palma's instructions.

As the president said in Chitre, the steps taken should be properly documented and clearly explained. The goal of cleaning up and quickly rationalizing the administration must not allow for injustices; if injustices are committed, they should be quickly corrected. It is not enough to correct the mistakes of the few functionaries who could possibly

cover up sinecures and administrative misdeeds or who punished loyal and efficient employees; these functionaries must also be investigated, as they distort and sabotage compliance with the presidential instructions.

Apart from immediately correcting the mistakes that could possibly be made, responsibilities should be established for such errors and omissions.

President Solis Palma's orders are very clear: The public administration must be honest, loyal, efficient, and courteous. The sinecures, the idlers, and the disloyals are like saboteurs: dangerous to the stability and efficiency of the institutions and the country, at a time when the fatherland is threatened.

This should be responsibly complied with, investigating case by case and consulting with the employees' organizations in accordance with Torrijos' method: not allowing any type of patronship or friendly assistance, or allowing subjective personal or group favoritism. The

president's instructions are correct, sincere, and have popular backing; therefore, they should be firmly complied with and not used as an instrument or used differently than what they were truly intended for.

In every case, the first moral and political duty of public workers' organizations and their allied unions is to support President Solis Palma's campaign, boost it, and not allow it to be distorted by the institutions' inertia or the lack of conviction of a small minority of official.

Correction to Unemployment From 'Deterioration'

The following correction pertains to the item headlined "Unemployment Result of 'Economic Deterioration,'" published in the 9 June Latin America DAILY REPORT, page 19:

column one, last paragraph, line one: ...told ACAN-EFE that 1,690 "voluntary resignations" and... (correcting figure)

Argentina

Jaunarena Downplays Importance of UK Maneuvers
PY1006215988 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2017 GMT 10 Jun 88

[Text] Buenos Aires, 10 Jun (NA)—Defense Minister Horacio Jaunarena has downplayed the importance of the military exercises that the United Kingdom will carry out on Ascension Island on 14 June, exercises that are related to the United Kingdom's dominion on the Malvinas Islands. Jaunarena said that "as long as these exercises are not carried out in territories under dispute, we are unconcerned."

Concerning the trials of the people held responsible for the Argentine defeat in the South Atlantic war, the defense minister said that "whenever a war breaks out anywhere in the world, the people normally hold someone responsible."

"Trials are a direct consequence of the normal institutional activities under a state of law," Jaunarena added.

Jaunarena made these remarks this morning following a ceremony marking Argentine rights over the Malvinas Islands. The ceremony was held at the Defense Ministry.

Jaunarena said that the possibility of Argentina declaring a cessation of hostilities would only be appropriate "with a British attitude of sitting at a negotiating table to discuss an agenda including the Malvinas Islands issue. However, we have no problem in declaring a cessation of hostilities."

Jaunarena said that "a unilateral gesture on our part without reciprocity by the United Kingdom and its obstinacy in maintaining its illegal attitude does not make any sense for us."

Jaunarena said that the United Kingdom maintains "the same attitude" and that "we are convinced that negotiations must prevail and that when negotiations take place, they must be conducted with an open agenda, including all the issues."

On Falklands Sovereignty

PY1006155788 Buenos Aires TELAM in Spanish
1208 GMT 10 Jun 88

[Text] Buenos Aires, 10 Jun (TELAM)—Confirming Argentine sovereignty claims over the Malvinas Islands, today Defense Minister Jose Horacio Jaunarena deemed as surprising the fact that a European power maintains a colonial old-fashioned 19th century style enclave in Argentine territorial waters, which are protected by the treaty of Inter-American Reciprocal Assistance Treaty.

Jaunarena said this regrettable fact resulted in [words indistinct] which reached unprecedented levels, due to the obsessive British attitude. This attitude is generated by atavistic concepts aimed at prolonging the final moments of an agony that cannot last forever.

During a ceremony held at the Joint General Staff offices to celebrate the 218th anniversary of the Spaniards' arrival in the Malvinas Archipelago and to recall the South Atlantic war, Jaunarena said there are historic events that, after some time, produce certain effects and lose their importance, while others—perhaps as a result of their fundamental influence on people's lives—remain important and demand commitments.

He said: In 1982, we joined together to defend the sovereignty of our fatherland. We did it, however, without knowing how to work as a team, and our action was based on mistaken concepts regarding the magnitude of the task we had to fulfill.

He added: The war offered the members of the Armed Forces the opportunity to break their long vigil and to show their courage. Beyond the errors of the war, they showed great spiritual virtues and their sincere desire to fight for a cause that is just, noble, and very much Argentine.

Jaunarena said the events of the war and those who participated in them have become part of the school textbooks and will be read about and shared by future generations, who will make the final analysis and reach the ultimate conclusions. Our generation will only preserve its painful longing for the dead comrades.

The great courage of our Armed Forces, which filled the world with wonder, was not enough to prevent our defeat, Jaunarena said. Something very positive resulted from the war, however. We realized that we not only have to work together but we also have to be effectively coordinated and to comply with a harmonious and adequate plan of action.

Later, Jaunarena said that despite having learned the lesson, we now have to pay a heavy price, and we must get rid of mental structures resulting from divided interests that were not shared by all.

Jaunarena said: After 35 years of unproductive debate, the personnel of the joint general staff must analyze with the greatest professionalism and special care ways to resolve problems and to adjust the military organizations and equipment in order to effectively respond to the primary and secondary responsibilities requested from them.

Jaunarena said integration is demanded not only by the challenges of war; we are also constantly called upon to prove our capacity of assimilation, innovation, and development. Each goal and each task forces us to re-analyze together and as a team the best solutions.

At the end of his speech, Jaunarena said: We wear different uniforms, and maybe we analyze situations from different points of view, but our ideals are the same. Only by working as a team will we succeed—despite the obstacles that may delay us in our struggle for free institutions—in imposing our will on those who threaten the spiritual and physical values of our fatherland.

He concluded by quoting a saying of General San Martin: If divided, we will be slaves. If we divide, we will be slaves. If we remain united, I am sure we will win.

Army Chief of Staff Gives Falklands Day Speech
PY1006163788 Buenos Aires TELAM in Spanish
1120 GMT 10 Jun 88

[Text] Buenos Aires, 10 Jun (TELAM)—Today, on the day of Argentina's rights reaffirmation over the Malvinas Islands, Army Chief of Staff General Dante Caridi said that we have been defeated in a battle, but we have not lost our conviction of the fairness of the cause for which we fought. What is more, we have rediscovered the will to defend the high national interests.

In a message read at the Plaza de Armas of the Libertador Building, Caridi said that victory always has many fathers, while a legitimate defeat is misunderstood and has many critics. This must not intimidate us from expressing our true will to recover the usurped islands. The courage of those who fought and died in battle makes us responsible for becoming the worthy custodians of their sacrifice.

This patriotic determination demonstrates that our men are imbued with this goal of national interest. We are convinced that the great national objectives consecrated by the preamble of the Constitution, which contains our permanent and basic values, points out the direction of our efforts and purposes.

He said that our patriotism is rooted in history, in the tradition of our fundamental institutions, and in the sacrifices made by all generations to develop, to improve, and to defend the nation from any threat.

This is the essence of our national spirit and history, whose continuity our arms will always safeguard.

He said that the national objectives are a patrimony of all the citizenry. Rather than a duty, it is our right to defend them, thus demonstrating to the world our faith in them. This undeniable right does not impose specific claims, but rather it constitutes a common denominator of our principles and loyalty.

He said that living with patriotism is a national aspiration. This means not only to proudly assume our origins and destiny but also to assume the intense pain inflicted by the frustration of adversity, which has postponed our

aspirations. The solution to these great problems deeply motivates the national spirit. This is why the great Argentine causes have inflamed our passions.

He said the brave effort made by Argentines will allow us to witness, despite human errors, the undeniable will of a generation that fought to keep its flag waving high in its own territory.

Finally, he said that only the serene, calm, and fair judgment of history will clearly determine whether more failures than achievements were obtained by the sacrifice. Only then will it be understood that the sacrifice was not in vain. Caridi concluded by asking God to guide us in fulfilling the aspirations of the Argentine people.

Congressman Gass on Falklands, UK Maneuvers
PY1006130488 Buenos Aires TELAM in Spanish
0440 GMT 10 Jun 88

[Text] Montevideo, 9 Jun (TELAM-PL)—Argentine Senator Adolfo Gass (UCR-Federal Capital) has stated that Great Britain is continuing its provocations regarding the Malvinas Islands with the maneuvers on Ascension Island. He added: I would like an important U.S. political personality to tell me what he thinks of this.

The senator, who is participating in the meeting of the South American Peace Commission in this capital, criticized Washington's role during the 1982 conflict in the South Atlantic.

[Words indistinct] Inter-American Reciprocal Assistance Treaty was a bitter experience for Argentina, because, he explained, when Argentina was attacked by a power from outside the continent—Great Britain—the U.S. Government evaded its commitments and allied itself with the aggressor.

Gass, who is a member of the executive board on the nongovernment commission that is meeting in Montevideo, highlighted the fact that the topic of the Malvinas must be debated in all international forums, especially at this time in which London is intensifying [words indistinct] and has announced new military maneuvers on Ascension Island.

Economy Minister Returns From Europe 9 June
PY0906151588 Buenos Aires TELAM in Spanish
1428 GMT 9 Jun 88

[Text] Buenos Aires, 9 Jun (TELAM)—Economy Minister Juan Vital Sourrouille has returned to the country after conducting negotiations in the United States and Europe to obtain support for Argentina's proposal to reduce payments on the foreign debt.

The official arrived on board Aerolineas Argentinas Flight 121 at Ezeiza Airport, where he briefly chatted with journalists accredited at the airport, telling them that he had met with representatives of the Paris Club.

He then boarded a vehicle that was waiting for him on the tarmac and he left through a sidegate of the airport.

The flight on which Sourrouille returned to Argentina was delayed for some hours due to weather conditions at Ezeiza Airport that caused the plane to make a technical stopover in Brazil. The flight arrived at 1045.

Bolivia

Rumors of Coup D'Etat 'Officialized'

PY1006235588 Madrid EFE in Spanish 0741 GMT
10 Jun 88

[Text] After 5 years and 8 months of democratic life, Bolivia is again sensing the presence of the "phantom" of a coup d'etat.

Different versions, some of them official, have recently acknowledged the possibility of a breach in the constitutional order and the establishment of an authoritarian regime.

The public commentary became "officialized" when on 3 June Oscar Montano, secretary of the Chamber of Deputies Constitutional Committee, stated there was an "imminent risk of a coup."

Montano, a deputy of the ruling MNR, said this tendency is encouraged by the inability of the government to resolve urgent national problems.

Montano said such rumors are also encouraged by the official announcement that the government plans to reduce the 1988 Armed Forces budget. This has allegedly encouraged an underground current within the institution to seek "a new man" to assume the leadership.

General Jose Rodriguez, commander in chief of the Armed Forces, has said that the planned budget cut implies a risk to Bolivian security and sovereignty. Rodriguez denied, however, the existence of "sounds of sabers" threatening democracy.

Shortly after this, the son of Roberto Suarez Gomez, former Bolivian "cocaine king," told Congress that some officers are seeking the support of drug traffickers to carry out a coup.

However, Interior Minister Juan Carlos Duran has repeatedly said that even though the political climate is "tense," he does not have any information on alleged Armed Forces subversive activity.

Some local analysts told EFE that the "simple argument" of military unhappiness with the budget reduction could not be considered sufficient reason for a coup in Bolivia in the next few months.

They argued that a coup could better be explained by "the growing deterioration of the prevailing political situation," the "increased cohesion and strength of opposition forces," and "the difficulties the ADN is facing in winning next year's presidential elections."

According to observers, the ADN has seen its image tarnished by the appearance of a videotape showing three ADN militants—the now suspended Deputy Alfredo Arce Carpio, General Mario Vargas Salinas, retired, and businessman Jorge Alvestegui Alexander—with the former "cocaine king."

According to Lieutenant Commander Jaime Paredes Sempertegui, retired, these people have turned to Suarez Gomez to seek economic help "to buy" enough votes to ensure ADN leader General Hugo Banzer Suarez' election as president by Congress in the event of an election tie with the MNR.

According to the analysts, the congressional investigation on the involvement of politicians with drug traffickers has recently involved the Movement of the Revolutionary Left [MIR], headed by former Vice President Jaime Paz Zamora. The MIR is considered an important contender in the 1989 elections.

Photographs and an anonymous report linked Paz Zamora to Isaac Chavarria, a pilot accused of being the main cocaine supplier of the "Medellin Cartel."

According to the observers, this situation "casts doubts" over the democratic future of the country and again opens the way for the dictatorial option.

Bolivia returned to constitutional government on 10 October 1982, when former President Hernan Siles Zuazo took power after winning an election following almost 18 years of authoritarian regimes. On 30 June 1984, Siles was kidnapped as part of a revolt, but he was freed 10 hours later.

The last coup d'etat was staged by former General Luis Garcia Meza, now facing trial. Garcia Meza overthrew President Lidia Gueiler Tejada, and during his 1 year and 1 week administration (July 1980-August 1981) he resisted five unsuccessful coups before he was forced to step down. The "phantom," however, seems to have returned.

Remarks by Roberto Suarez on TV Criticized

PY1106140788 Madrid EFE in Spanish 0344 GMT
10 Jun 88

[Text] La Paz, 10 Jun (EFE)—An overall wave of protest was unleashed here today against the ample coverage that a local private television station gave last night to the remarks of Roberto Suarez, the former Bolivian cocaine king.

Today government officials, newspaper publishers, congressmen, and leaders of journalists and press workers associations protested the "misuse" of a broadcasting station in allowing the drug trafficker to talk for more than 40 minutes.

Roberto Suarez' telephone call to La Paz Radio-Television Popular Television occurred as the station was broadcasting live the "Debate Nacional" program. The debate centered on the alleged relations between Suarez and some politicians, which were revealed in a videotape at the end of April.

The former cocaine king denied any participation in drug trafficking, and he called himself coca king, not cocaine king. He stressed that "the U.S. Government" is the only cocaine king and Bolivia is the "viceroy."

Information Minister Herman Antelo expressed the executive branch's concern about the incident, and he stated that "no part of the media should offer its microphones and organization to events that frankly border on the criminal."

The publishers of the morning newspapers of this capital have also condemned the permissiveness that the program granted to a person who "has had two sentences handed down against him, a fact that demonstrates his ties to drug trafficking."

The federation of Press Workers of Bolivia has stated that the program "denigrates the exercise of journalism in order to mask criminal behavior."

Jorge Alderete, deputy minister of social defense of the Interior Ministry, has indicated that Suarez Gomez is "a fugitive from justice" and he has been given a sentence "of 10 to 12 years in prison for crimes linked to drug trafficking." He also reiterated that the authorities have specific orders to capture him.

Oscar Montano, president of the Constitutional Committee of the Chamber of Deputies, who participated in the "Debate Nacional" program, has expressed his annoyance, saying that police must capture Roberto Suarez.

However, today Carlos Alenque, the owner of the television station, said he only "carried out his duty as a communicator" and he emphasized that last night's program has now become "the journalistic program of the year."

Finally, the authorities have made it known that it is very probable that some measures will be adopted and they have announced that an investigation has been ordered to establish the alleged links that may exist between Radio-Television Popular television and the cocaine king.

Brazil

Nobrega Pleased With Impending Debt Agreement *PY1006012388 Brasilia Domestic Service in Portuguese* 2200 GMT 10 Jun 88

[Text] Optimistic about the foreign debt negotiations, today in Rio de Janeiro Finance Minister Mailson da Nobrega announced that in the next few days the best agreement ever negotiated by a Third World country with creditor foreign banks will be made public.

Some important points have already been defined, all of them on the most favorable basis for Brazil. One of those points, for instance, refers to the period for repayment of the debt: it will be 20 years, the longest period ever obtained by a Third World country, with interest rates much lower than currently being paid. The new interest rate, which is similar to those being paid by Mexico and Argentina, will have a spread of 0.8125 percentage points. The grace period will be 8 years, the longest so far obtained by a Third World country.

[Begin Nobrega recording] When this agreement is made public in full, we will see that Brazil has obtained the best agreement ever negotiated by a Third World country with creditor banks. [end recording]

Minister Nobrega revealed that all financial aspects have already been resolved and that the final agreement only depends on some legal aspects which are being discussed by lawyers. The minister expressed his confidence that the negotiating parties will soon reach an agreement satisfactory both for Brazil and the creditor banks.

Sarney, Portugal's Cavaco Silva Discuss Trade *PY1006134788 Brasilia Radio Nacional da Amazonia* Network in Portuguese 1000 GMT 10 Jun 88

[By Lourival Macedo]

[Text] Last night President Jose Sarney and Portuguese Prime Minister Anibal Cavaco Silva discussed the creation of joint enterprises and the lifting of trade barriers between the two countries. The measures aim at facilitating the entrance of Portuguese-made products into Brazil and of Brazilian merchandise into Portugal.

The consortium of enterprises will also allow Brazilian businessmen to sell their products to the entire European continent.

In President Sarney's opinion, Portugal's admittance into the EEC will give new and promising dimensions to relations with Brazil.

[Begin Sarney recording] Portugal is getting ready to occupy the position of a strong and resolute partner in the [words indistinct] market, which Europe will become in 1992, [offering] workers' [words indistinct], service

goods, and financial (?assets). Portugal's entry into the EEC gives a new and promising dimension to its relations with Brazil. [end recording]

In an interview before dinner last night, Prime Minister Cavaco Silva said half of the \$4 billion that the EEC will assign to the modernization of Portugal will be nonreimbursable funds. These funds, he said, will be placed at the disposal of Portuguese and foreign businessmen.

Cavaco Silva said: Unless we leave rhetoric behind, I believe Brazil will lose a great opportunity.

Minister Chaves PFL Presidential Candidate

PY1106182088 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 11 Jun 88

[By Aranha Araujo]

[Excerpts] Senator Marcondes Gadelha, leader of the PFL bloc in the Senate, has confirmed that the party's presidential candidate is Mines and Energy Ministry Aureliano Chaves. [passage omitted]

[Begin Gadelha recording] The reporter asked me whether Governor Orestes Quercia would be the government presidential candidate. I answered that I did not know the government had a presidential candidate. That may have created some confusion. The reporter then asked me whether the PFL would support Governor Quercia. I answered that Governor Quercia was a good name within the PMDB. [end recording]

Senator Gadelha regretted the newspapers' confusion, and he said the PFL has its own presidential candidate: Minister Aureliano Chaves.

Embraer Losses Due to U.S. 'Retaliation' Threat

PY0906184288 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Jun 88 p 22

[Text] Embraer [Brazilian Aeronautics Company] has lost nearly \$2.5 million during the first part of the year as a result of the U.S. threat of retaliation over the current computer market reserve law. The company has not been able to close a single deal in the United States since November last year. Apart from losing business there, Embraer's supply of equipment to that market is presently accepted only if the Brazilian firm commits itself to indemnify U.S. clients if the White House decides to apply trade retaliation against Brazil through surcharge taxes. Those taxes could reach up to 100 percent of the original price of the product.

Embraer is also concerned about the ICM [Goods Circulation Tax] that could make its products too expensive for the internal market. Yesterday Embraer President Eng Ozilio Carlos da Silva said in San Jose dos Campos that the issue will be decided on 16 June. According to Ozilio, "Embraer does not mind paying an ICM that is compatible with foreign market conditions, but not the

17 percent that was initially proposed." Besides agreeing to pay the ICM, Embraer will ask that taxes on planes used in agriculture, for instance, be a lot less than on those for the transport of executives.

Regarding the problem of retaliation, Ozilio believes that "everything will be resolved" on 10 June when members of the U.S. Commerce and State Departments meet with the Treasury to analyze the effects of the recently promulgated Brazilian Software [preceding word in English] Law.

Ozilio Silva said that Embraer has obtained a \$32-million line of credit with national banks to be able to guarantee its U.S. clients that they will not suffer if Embraer products are overtaxed in Brazil. The 30-seat pressurized "Brasilia," in the process of delivery to U.S. firms, will cost \$12 million if the surcharge tax is applied on them.

Ozilio also announced that Embraer is negotiating with the British Aerospace company, manufacturers of the Airbus in the United States [as published], to supply this plane with components made of carbon and glass fibers produced by the new Embraer factory in San Jose dos Campos. This factory was opened only 2 years ago. Ozilio said that ever since McDonnell Douglas, manufacturer of the DC-10 planes, opened a bid for the supply of wing parts for the MD11, a three-jet engine plane for the decade of the 1990's, "U.S. firms have been very interested in Embraer's supply of parts and components."

The \$200-million contract which Embraer won then opened the way for Embraer's international recognition as a firm with technology for the supply of composite materials.

Chile

Bishops Voice Concern About Plebiscite

PY1006023588 Santiago Radio Chilena Network in Spanish 1700 GMT 9 Jun 88

[Text] In a statement released this morning to the press by Episcopal Conference Secretary Msgr Sergio Contreras, Chilean bishops said that the upcoming plebiscite, which is provided for by the Constitution, has uncertainties about which we are concerned and which we would like to help clarify. The bishops said that some of the essential conditions that must be met for the plebiscite to be morally valid have not yet been fulfilled, like the fact that the opposition has had very little access to the media, the continuation of the states of exception, the active participation of government officials and Armed Forces members in the plebiscite process, and the pressure exerted on public servants.

The statement, which was released by the Episcopal Conference standing committee, is entitled: We want peace and good for everyone. The statement is based on the message that John Paul II sent to the bishops through Msgr Juan Francisco Fresno.

Msgr Contreras read the statement, which in its first part mentioned some aspects of the stage previous to the plebiscite.

[Begin Contreras recording] Unfortunately, the plebiscite to which we have been called has uncertainties about which we are concerned and which we would like to help clarify, for the sake of our country and of the aspiration for respectful coexistence and constructive cooperation, which we regard as necessary preconditions for economic progress, social justice, and peace.

We have listed the conditions that must be met for the plebiscite to be morally valid. We believe that there is a consensus on this point in our country. Some of these conditions have already been met. [end recording]

The document adds: However, the fact that a large number of youths have not yet registered with the electoral registries has awakened concern.

[Begin Contreras recording] The opposition has thus far had very little access to the media, particularly to the national television channel. The states of exception have not been lifted despite the fact that apparently there is not much time to go before the plebiscite. Government officials and Armed Forces members have actively engaged in the plebiscite process; those who must act as guarantors of the plebiscite cannot side with any of the choices. Public servants have been pressured to work for a specific plebiscite option, despite the fact that they must be free to make their own decision. [end recording]

The statement adds: We see the danger in the aggressive, disqualifying, and exclusionary language that is frequently used by various sectors. This does not help to calm down the spirits or promote constructive cooperation between all the economically active sectors.

The statement mentions a previous document which said that if the plebiscite is held under the conditions that make it morally valid, everyone must accept the outcome. The statement goes on to say:

[Begin Contreras recording] We ask everyone to understand us. We deplore the situation of the country and we feel urged on by it. We support neither side. We want peace and good for everyone. We want development for our country, but we want it in the terms that were explained by the Holy Father, a country equally shared by everyone. We want social justice and the improvement of the living standards of the have-nots, who cannot wait. [end recording]

Msgr Contreras then read a prayer for peace in Chile and asked Catholics to repeat it. As for the conditions for a morally valid plebiscite that have already been met, he stressed the large number of citizens who have registered with the electoral registries, adding that some mass media have had some sort of opening toward the opposition.

Msgr Contreras said bishops will speak if in the future they feel that they have to speak as pastors on the situation from an ethical viewpoint.

Official: Remarks 'Unfair'

*PY1106143588 Santiago Domestic Service in Spanish
1030 GMT 11 Jun 88*

[Text] Orlando Poblete, minister secretary general of government, has said that the Episcopal Conference's statements are unfair and disproportionate because they are not in keeping with Chilean reality.

In Concepcion Poblete said that if one analyzes the bishops' statements point by point, one can see that they are not in keeping with the real situation of the national institutionalization process. Therefore, the concerns expressed in the bishops' declaration are unjustified.

Poblete also said the government has no intention of modifying the electoral results. We maintain that we must inform the people of what is at stake in the plebiscite and its true meaning, he said.

Poll Shows 'Virtual Tie' in Plebiscite Vote

*PY1206192588 Madrid EFE in Spanish 2115 GMT
11 Jun 88*

[Excerpts] Santiago, 11 Jun (EFE)—The results of two different polls published by the local media today reveal a drop in General Augusto Pinochet's chances of winning the upcoming presidential plebiscite. The polls also show a virtual tie between the yes and no vote.

The poll, conducted by CERC [Center for Contemporary Studies]-Diagnos and published by the independent newspaper LA EPOCA, shows that 36.1 percent of those interviewed believe that Pinochet will win the plebiscite and 37.5 percent think the opposition will win.

These figures for the April-May period noticeably differ from those for March-April, which showed that 48.6 percent supported Pinochet and 30.3 percent the opposition.

According to the report, when people were asked whether they thought a majority would be reached in the plebiscite, only 29.3 percent said that they believed so, while 43.5 percent did not. [passage omitted]

The CERC-Diagnos poll reveals that 28.1 percent support the yes vote, while 42.7 percent favor the no vote.

Another poll, conducted by the Latin American School of Social Science, FLACSO, which was published by the conservative daily EL MERCURIO today, reveals a virtual tie between the yes and no option as well as the existence of a large number of undecided voters.

From the total number of people able to vote at a national level, the poll shows that 25.8 percent will vote yes and 27.6 percent no, and that the number of undecided is a little more than 30 percent.

Polling of only those registered with the electoral court, also at a national level, shows that 28.1 percent will vote yes and 26.4 percent no and that 34.5 percent still have not decided which option to chose.

However, among those who have not registered, 30.5 percent will vote no and 20.6 percent yes.

UN Envoy Raps USSR Intervention in Country
PY1106144588 Santiago Domestic Service in Spanish
1030 GMT 11 Jun 88

[Text] Chile has accused Moscow of meddling in its domestic affairs by encouraging violence, subversion, and terrorism. Pedro Daza, Chilean ambassador to the United Nations, addressed the UN Conference on Disarmament and said that Chile seeks to promote confidence and disarmament in the Latin American region. As an example, he mentioned the talks Chile held with Peru and the Peace and Friendship Treaty it signed with Argentina.

In a clear reference to the Soviet Union, Daza said Chile has been affected by the constant violation of the non-intervention principle by a foreign power, which encourages and promotes violence, subversion, and terrorism, and consequently causes destruction and pain among Chileans. Such actions, he said, discourage trust in international relations.

Sino-Chilean Commission Meets; Accords Signed
PY1106012088 Santiago Domestic Service in Spanish
2300 GMT 10 Jun 88

[Text] During its 10th meeting, the Sino-Chilean Mixed Commission signed a final act on the possibility of implementing joint ventures in the forestry, fishing, and mining fields.

During the meeting, issues concerning bilateral trade were discussed. In this regard, the Chilean delegation released a list of products that Chile can export to the PRC, including molybdenum, lithium carbonate, fresh fruit, wool, and agricultural spray equipment, among other items.

In turn, the PRC delegation offered petroleum, fishing boats, coal, small-size electric power plants, and cargo airplanes.

The final act was signed by Rafael Aldunate, the Foreign Ministry bilateral trade director and head of the Chilean delegation, and by Mu Chongkai, a deputy director of the PRC Ministry of Foreign Economic Relations and Trade [title as heard] and head of the PRC delegation.

Colombia

New Justice Minister Giraldo Resigns
PA1106030588 Madrid EFE in Spanish 0252 GMT
11 Jun 88

[Text] Bogota, 10 Jun (EFE)—The resignation of Senator Luis Guillermo Giraldo, the new justice minister of Virgilio Barco's Liberal administration, was announced tonight, 24 hours after he was appointed.

In a letter sent to President Barco, Giraldo said he was unable to accept the appointment because the Attorney General's Office (the top prosecuting office) is investigating him for financial problems.

Radio Cadena Nacional (RCN) disseminated this report tonight, adding that new Communications Minister Pedro Martin Leyes, new Mines and Energy Minister Oscar Mejia Vallejo, and new Health Minister Luis H. Arrau also are being investigated by the Attorney General's Office. It has not been reported if these other ministers have resigned.

Barco solved a government crisis last night with the appointment of 8 new ministers in his cabinet of 11. Everything seems to indicate that he will have to at least appoint a new justice minister.

Replacement Named

PA1106041788 Paris AFP in Spanish 0355 GMT
11 Jun 88

[Excerpts] Bogota, 10 Jun (AFP)—Tonight a brief communique issued by Narino Palace, the government palace, announced that former justice Jaime Bernal Cuellar was appointed the new Colombian justice minister, the second in 24 hours.

Bernal Cuellar, 48, who is married, has two daughters, and thus far has no active political affiliation, replaces Senator Luis Guillermo Giraldo, who resigned after accepting the post. [passage omitted]

The new justice minister, a former member of Bogota's superior court, is a professor of penal law at three universities in Bogota.

New Justice Minister on Extradition Treaty
PA1206123988 Bogota Inravisión Television Cadena 1
in Spanish 1800 GMT 11 Jun 88

[Interview with Justice Minister Jaime Bernal Cuellar by unidentified "Siete Dias en el Mundo" program reporter on 11 June; place not given—recorded]

[Text] [Reporter] Luis Guillermo Giraldo, the Colombian justice minister who has just resigned, said a plebiscite should be called to decide the issue of the extradition treaty. What do you think of this proposal?

[Bernal] I deeply respect all opinions. I am not sure whether it is adequate to call an entire country and all its people to a plebiscite to say yes or no to an extradition treaty. I believe we must call those who handle justice in this country for that purpose and not the people to whom justice is applied. Therefore, we must listen to what judges and lawyers have to say. It seems to me that this has not yet been done. They are part of the Colombian justice system; consequently, I believe we must listen to them. I do not believe in plebiscites that decide whether a treaty should be approved or not.

I believe the elements of the crisis in Colombian justice have been detected. It is not necessary to call for a plebiscite for people to confirm that they do not believe in their judges. We must restore our trust in our judges.

[Reporter] What is your position concerning the extradition treaty, Dr Bernal Cuellar?

[Bernal] We must strictly abide by what is currently in effect. I believe a person must be subject to trial at the place where he or she committed the crime.

Political Parties Comment on New Cabinet
PA1206132188 Bogota Inravisión Television Cadena 1 in Spanish 1730 GMT 11 Jun 88

[Text] Today the Colombian Patriotic Union [UP] said that the new cabinet is a step backward for Colombian democracy and that it will not contribute to the resolution of the country's serious problems.

The Social Conservative Party, which did not accept the offer to appoint one of its members as justice minister, said, however, it is willing to cooperate with the government in the search for peace and citizens' tranquillity.

The Social Conservative Party showed great skepticism about the new cabinet appointed by President Barco today. The members of this party pointed out that the new ministers are not a panacea for the Colombian crisis.

[Begin recording] [Speaker] The removal of part of the cabinet is merely an expression of the idea that the president has to face the nation's serious crisis. In other words, the decision concerning the cabinet does not confront the serious problems our country is facing. I say this regardless of the fact that the new cabinet includes valuable and important people. This decision is a merely mechanical operation, which does not offer any solution to the crisis and does not make us look ahead with optimism. [end recording]

UP National Board President Bernardo Jaramillo Ossa also made statements in this regard:

[Begin recording] [Jaramillo] I believe President Barco is making a very clear turn to the right, which ratifies the policy he has been conducting in the last few months. It is the big-stick policy against the people's movement. It

is a policy of unrestrained violence, which only generates more violence. As long as that policy does not change, the names and people who are part of it will remain unimportant. [end recording]

M-19 Takes Credit for Gomez Kidnapping
PA1306045388 Hamburg DPA in Spanish 0326 GMT 13 Jun 88

[Text] Panama City, 12 Jun (DPA)—This evening in Panama City the Foreign Commission of the clandestine Colombian M-19 group released a statement contained in a recording made by a woman in which the M-19 assumes responsibility for the kidnapping of former Colombian presidential candidate Alvaro Gomez Hurtado.

Following is [a portion of] the text of the communique issued by the M-19's Foreign Commission:

1. We confirm the detention of Mr Alvaro Gomez Hurtado, who is in perfect physical and psychological health. It is not true that he was wounded during his capture.

2. Since he is one of the five leaders of the Colombian oligarchy, Gomez Hurtado is today a prisoner of war and, as such, is receiving the treatment stipulated by protocols 1 and 2 of the 1949 Geneva agreements regarding noninternational conflicts.

3. Mr Gomez Hurtado is nationally recognized as having been the chief of the Colombian ultraright during the 1940's and 1950's. He was the executive arm of his father, then conservative leader and President Laureano Gomez, who directed the violence that produced 300,000 deaths during those years. There are indications that he was implicated in the assassination of leader Jorge Eliecer Gaitan, which gave rise to the Bogotazo uprising in 1949.

The long communique released in Panama by the M-19's Foreign Commission contains other charges against Gomez Hurtado, whom it describes as one of those responsible for the violence in Colombia.

No concrete condition for the release of the kidnapped politician is given in the communique. It simply points out that the participation of the international community is required "for the solution of the Colombian crisis, of which Gomez Hurtado's detention (kidnapping) is one more event."

Peru

Police Blame MRTA for U.S. Residence Bombing
PY1006150888 Madrid EFE in Spanish 0403 GMT 10 Jun 88

[Text] Lima, 9 Jun (EFE)—Police sources have reported that at least three bomb attacks occurred last night in several places in Lima. The explosions caused some damage, but there were no casualties.

The terrorist attacks occurred in Miraflores, Surquillo, and downtown Lima. Tupac Amaru Revolutionary Movement (MRTA) propaganda material was found at the site of one of the attacks.

The explosion that occurred on Pardo Avenue, Miraflores, broke windows in some shops. The bomb that exploded in Surquillo destroyed the door of a tire store. The explosion in downtown Lima destroyed the door of a car agency.

MRTA pamphlets with that organization's acronym were found by police at the scene of the explosion on Pardo Avenue.

Peruvian police have attributed to the MRTA today's attack on the U.S. ambassador's residence on Arequipa Avenue, in downtown Lima.

The MRTA fired two 60-millimeter projectiles at the residence of Ambassador Alexander Watson. One of the projectiles exploded in the air and the other hit the residence roof.

Gonzales Posada on Cuban Refugees, Finance Ties
PY1006151188 Lima Domestic Service in Spanish
1200 GMT 10 Jun 88

[Text] Foreign Minister Luis Gonzales Posada has announced at Government Palace the Cuban Government decision authorizing three Cuban refugees who have been living in the Peruvian Embassy to leave Cuba. The refugees had been at the embassy for 8 years.

Gonzales also said that Peru enjoys the confidence of the international financial system. He added: I can assure you that our country has not been blocked by the international financial system. He reiterated the need to use the funds designated for military expenditures to finance development programs to do away with hunger.

Gonzales Posada made this comment after a cabinet meeting, in which he briefed the cabinet on his trip to Havana and the United Nations.

Senate President: Ties With USSR 'Improving'
PY1006141788 Lima Domestic Service in Spanish
1200 GMT 10 Jun 88

[Text] Senate President Jorge Lozada Stambury has said that Peruvian-Soviet relations are improving through friendly bilateral relations based on the principle of sovereign equality, noninterference in internal affairs, and mutual benefit.

Lozada said that Andrey Gromyko supports the Latin American policy of struggle against any type of foreign interference. He added that the meeting between Peruvian and Soviet officials was held within the framework of mutual cooperation.

Venezuela

3 Colombian Guerrillas Killed in Tachira
PA1206150588 Caracas Venezolana de Television
Canal 8 in Spanish 0000 GMT 11 Jun 88

[Text] Three members of the Colombian narcoguerrilla group called the Simon Bolivar Guerrilla Coordinating Board were killed today when they clashed with the kidnap commando group in northern Tachira State. The dead guerrillas are Colombian citizens Jorge Jaime Alvarado, 28, and Zenon Rios Montoya, 45, and Venezuelan Manuel Rufino Yepes Borges, 34.

The clash took place at 0800 at San Felipe farm, Boca de Grita, (Garcia Evia) municipality, along the Tachira-Zulia state line. (Henry Lopez Cisco) of the Directorate of Intelligence and Prevention Services reported that the group was planning to kidnap a Venezuelan cattle rancher. He added the three men were part of the group that recently held up two buses south of Lake Maracaibo.

General (Humberto Camejo Arias), commander of the 2d Infantry Brigade, reported that the subversive individuals were riding in an American vehicle in which a .357 revolver, a 9-mm Magnum, an M-1 carbine, and a grenade were found. Gen (Camejo Arias), chief of the kidnap commando group, also said that an undetermined number of rebels fled to Colombian territory. Therefore, his group and all the security corps continue to comb the area.

Suriname

Spending by Former Government Criticized
FL0906183588 Paramaribo International Service
in English 1730 GMT 9 Jun 88

[Text] Representatives of the Front for Democracy and Development in the National Assembly yesterday [words indistinct] criticized the spending by the former government. The Assembly members who were commenting on the auditor's report in which clarity is being sought over big amounts of money. [sentence as heard] The money has been spent on phone bills, advance payments for cars for ministers, hotel rooms, and car rentals. Deputy chairman of the Front, [name indistinct] Mungra, referred to the 1980-87 period as a free-for-all one which must come to an end now. The National Democratic Party faction chairman [name indistinct] said that representatives of the Front were also in the former government and it isn't right for the Front to shirk all responsibilities.

Sedoc Addresses OAS Special Meeting on Country
FL0906180588 Paramaribo International Service
in English 1730 GMT 9 Jun 88

[Text] Foreign Minister Eddy Sedoc yesterday afternoon addressed a special meeting of the Organization of American States, OAS. At this meeting, which was

especially requested by Suriname, the statesman gave an overview of the developments in our country since 1987, when the majority of the Surinamese electorate accepted the new Constitution.

The minister indicated that the Surinamese economy and society have been hit hard by the economic recession and the conflicts in the interior for the past 2 years. In relation to the recent developments in this conflict, he told the OAS meeting that in mid-June a negotiating team from the government will begin peace negotiations with the Brunswijk gang. Minister Sedoc further indicated that in the government policy, priority is given to the national interest, international cooperation, and regional integration.

Commander Bouterse Announces Changes in Army
FL1006195788 Paramaribo International Service
in English 1730 GMT 10 Jun 88

[Text] As of June 15th restructuring measures will be taken within the Army on the basis of provisions laid down in the Constitution concerning the ongoing restructuring of the Army. This was stated by Army Commander Desi Bouterse during the meeting with Army cadres last Wednesday.

From June 18th each member of the military authority will be responsible for a certain section of the Army. General responsibility falls under Commander Desi Bouterse. Chief of Staff Ivan Graanoogst will now have command over the joint services, the supply (?division),

and the airport. Commander (Chuck Mijnaals) will now command the Marowijne, [words indistinct] while Commander Badresseein Sital will command the [words indistinct] country.

The military police will be headed by Commander Lieuw Yen Tai. According to a military spokesman, the measures are a step further in the direction of structural transformation of the Army as it is provided for in the Constitution.

Police Commander on Terrorist 'Infiltration'
FL1006200088 Paramaribo International Service
in English 1730 GMT 10 Jun 88

[Text] Through a letter to the minister of defense, Sheik Kariem, military police yesterday informed the government of the arrest last week of the terrorist Ronald Vreedzam. The SURINAMESE NEWS AGENCY, which informed this, further quotes military police sources as saying that Vreedzam, together with other terrorists, succeeded in infiltrating Paramaribo. Military Police Commander Lieuw Yen Tai has in the letter expressed his concern over the increasing possibility of terrorist activities in Paramaribo. According to the military police, the indications are that more terrorists are in Paramaribo. The infiltration of Vreedzam and other terrorists is suspected to be in relation to terrorist plans which are to be executed if [words indistinct] negotiations within the government and the Brunswijk gang fail, according to the military police. Terrorist Vreedzam is suspected of committing several terrorist activities including the blowing up of bridges and attacks on economic and military objectives.